Daily Report

Latin America

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International Affairs. EU Commission VP on Economic Ties

PY1704215896 Madrid EFE in Spanish 1039 GMT 17 Apr 96

[FBIS Translated Excerpt] Cochabamba (Bolivia), 17 Apr (EFE) — Economic integration and political cooperation between Latin America and Europe has been strengthened following the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers, which ended in Cochabamba yesterday.

European Commission Vice President Manuel emphasized: "The fears existing a few years ago that the Rio Group would come to nothing proved to be completely groundless, after we began to pursue relations with the sub-regional groups."

Three important issues were the main targets of the meeting: the enhancement of economic and trade approaches, drug enforcement, and the Cuban situation. [passage omitted]

The meeting clearly established economic and trade approaches between Europe and Latin America and shared support for "sustainable development," including respect for the environment and the struggle against poverty.

The approaches between the Latin American and EU sub-regional bodies also made progress in Cochabamba, including the Mercosur [Common Market of the South] and the Andean Community as well as the upcoming negotiations between Chile and Mexico. [passage omitted]

Some diplomats described as the "weak point" of the meeting the lack of consensus for explicitly mentioning a rejection of the Helms-Burton Law that increased the U.S. blockade on Cuba.

The incorporation of Cuba — as an observer country — into the Rio Group, after this meeting in Cochabamba, had been initially foreseen.

The downing of two "Brothers to the Rescue" planes by Cuban fighters thwarted the rapprochement projects that had been negotiated for a year.

Moreover, the "Declaration of Cochabamba" includes an expression of "firm rejection of any unilateral measures, with extra-territorial effects, which are contradictory to international law and the rules of free trade."

The wording used responds to the interest of some North European countries of not offering a diplomatic victory to Cuba before the existence of distinct symptoms of an increased economic and political opening.

International Affairs: EU Commission VP on Drug Enforcement

PY1704144796 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 17 Apr 96

[FBIS Translated Text] Cochabamba — EU Commission Vice President Manuel Marin has stressed that, in the fight against drugs, Europe uses the carrot not the stick. He said he prefers to offer trade incentives instead of using repression.

The Declaration of Cochabamba, which was signed by 29 European and Latin American foreign ministers, consolidates the EU principle that drugs are not the exclusive problem of producer or trafficker countries, they are also a problem of consumer countries.

At the conclusion of the meeting of Rio Group and EU foreign ministers, Marin stressed that this principle is being used in the struggle against drugs. He said that any solutions must begin with the desire for shared responsibility or co-responsibility.

Marin said this assertion will logically have repercussions during the next UN meeting, scheduled for September in New York.

He explained that there are two options in the international struggle against drugs: The certification process used by the United States, or the alternative development programs promoted by the EU.

He said the EU has offered a unilateral concession, called the Generalized System of Preferences, to countries of the Andean community, the Andean Pact, which enables alternative products from that region to be sold at zero tariffs within the EU.

The EU uses the carrot not the stick. This is the great difference from decertification that is mentioned in the Declaration of Cochabamba.

He said the EU acts under its own principles in Latin America, not because we have specific or autonomous discriminatory ideas, and even less because we want confrontation with the United States, because that would be absurd.

He stated that the EU has its own model, to protect its own interests, which in this case — referring to Latin America — is harmonious because we share a common system of values.

Marin stated that this policy has helped the volume of trade with Latin America to increase from $40 billion to $80 billion over the past five years. He added that European investments in other Latin American regions surpass investments by the United States and Japan.

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International Affairs: Paris Urges Rio-EU Stance on U.S. Law

BR1704124896 Paris LIBERATION in French 17 Apr 96 p 10

[Unattributed report: "Madrid and Paris Pleading for Cuba"]

[FBIS Translated Text] Madrid and Paris have asked the Rio Group and the EU meeting in Cochabamba (Bolivia) to explicitly condemn the Helms-Burton Law reinforcing the U.S. embargo against Cuba. Cuba is the only Latin American country not belonging to the Rio Group — a permanent political consultation body set up in 1986 and comprising 14 countries from Latin America and the Caribbean.

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Cuba

Cuba: Castro Speaks at Playa Giron Anniversary

PA1804010296 Havana Radio Rebelde Network in Spanish 2200 GMT 16 Apr 96

[Speech by President Fidel Castro commemorating the 35th anniversary of the Playa Giron invasion at the headquarters of the Central Army in Matanzas Province — live relay]

[FBIS Translated Text] Dear compatriots: After an afternoon of so many memories and so many emotions, of so many beautiful things, of so many marvelous words, it is difficult to speak here today. It was essential, however, that we meet, because a day such as today cannot be overlooked.

Many things are being commemorated this afternoon, many important things. First, we must remember that the socialist nature of the revolution was proclaimed on a day such as today, on an afternoon such as this one. [applause] We could say that was the first great artillery round in response to the aggression. With great pain and much tradition this afternoon, we remember the comrades who fell in the repugnant, cowardly, 15 April bombing carried out by airplanes that bore the insignias of our Air Force to confuse, deceive, and surprise us.

We recall having spent a sleepless night because a ship was approaching from the east and the comrades there were on alert, especially in the area between Maisi and Baracoa. We saw the planes, which were going to bomb Ciudad Libertad, overflying the command post, which was a house, in Vedado and Nuevo Vedado. They fired almost immediately, but I also recall that not even 20 seconds had passed when our antiaircraft artillery unit was responding to the fire, even though it was made up of young and inexperienced militia men who had had little experience using such weapons.

One of those planes — and this was a deliberate plot by the ememy — headed for Miami, landed there, and the pilot claimed to be a deserter of the Cuban Air Force; he claimed that the pilots had rebelled; that they were not Yankee planes with Cuban markings, but pilots that had rebelled. And they proclaimed this wicked lie at the United Nations. Not even the representative of that country at the United Nations was told the truth of what had happened. He was a person known for his relatively decent attitudes and perhaps they thought they could not count on him. Everything they do is like this.

This is how things they have done have been throughout history in each one of their aggressive wars. Those Playa Giron days were difficult. We knew that imperialism would not forgive the revolution we were starting. What was this revolution? It was a revolution of justice. All these laws that were mentioned here and that Fernando mentioned were simply the laws of a subjugated, exploited, and humiliated country, where peasants lacked land; where U.S. companies were the powerful owners of the country's best land; where theft was commonplace; where people were killed, tortured, and murdered; where there was a great number of illiterate people; where approximately 60 out of 1,000 newborns died every year; where there were no schools; where 10,000 teachers were jobless. It was a colony where brave and heroic people lived, people who had fought for a long time so that the great neighbor to the north would not conquer them. Because we made agrarian and urban reform laws and because we started enforcing social justice, they immediately decided to liquidate the Revolution. They first believed that the Revolution would be liquidated by taking away its sugar quota or that by taking away oil supply, by not selling or not allowing others to sell oil to Cuba. There were a number of similar measures, in light of which the Revolution sought formulas to fight and survive. They would not accept this as an example for the Latin American people, who were living under similar conditions as ours. However, they also disdainfully believed that they could crush us. They did not realize it was a different revolution, that it was a people's revolution. It was a revolution of the people, for the people, and by the people that overthrew one of the best organized and trained armies they had here in the hemisphere, a point which they did not understand. They immediately began organizing subversive groups. They were able to organize up to 300 and 200 groups. They supplied these groups with weapons, resources, money, political encouragement, support of all kinds. They began organizing acts of sabotage all over the national territory, aside from the economic blockade in an attempt to starve us to death.

The socialist camp and the USSR still existed then. We all know what happened next. Despite all of that and as evidence of the sentiment of solidarity and internationalism, we were supported and helped. Even though we disagree with the majority, if not all, of what they did later, we are thankful for what they did for us at the time. [applause] At the time, it was important. We did not want to mix the international situation and the Cold War with our Revolution; however, we were not willing to relinquish the Revolution. We did not purchase our first weapons from socialist countries; we went to other Western countries to purchase them. In certain places, we purchased rifles, grenade launchers, spare parts, and modern and automatic rifles by the tens of thousands. We also purchased cannons and ammunition from a European country. What happened? One of the ships, the second ship, blew up while it was

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unloading in an act of sabotage sponsored from abroad. It blew up twice, because it was rigged to blow up at least twice, and more than 100 workers and soldiers who were unloading this ship died in a matter of seconds.

While they were already preparing the aggressive plans against Cuba, they wanted to prevent us from purchasing weapons. At the time, we did not even maintain relations with the Soviets; we did not maintain diplomatic relations. However, they were determined to defend us, to fight. So the first Soviet-made weapons were received, but some of these weapons came from somewhere else. Some came from Czechoslovakia; others were weapons the Germans had used in World War II; yet others were Soviet-made weapons that reached us through Czechoslovakia. In a short time, we had a large amount of weapons. Possibly thousands of ships had brought weapons to us. Not a single ship ever blew up again. We performed all possible tests; we even launched boxes of ammunition and grenades from thousands of meters away, and not a single box or bullet blew up. It could not have been an accident.

We had weapons, but people were not trained to use them. We had learned to use some of the cannons and tanks that had arrived in Cuba when the Revolution succeeded. This is how we started getting armed. We had to organize the cadres here. This is why what Fernando was explaining to us was important. We had to train thousands of cadres in a matter of weeks or months.

We did not know how much time we had.

When imperialism noticed that the Revolution was resisting, it sped up the plans on the mercenary invasion.

We knew, after all the measures that had been adopted against Cuba, in every aspect — subversion, sabotage, armed clashes — that as soon as they had the first opportunity, the first organized force, they would engage in sabotage operations to produce in Cuba something similar to what was done in Guatemala.

Nobody knew how or when. We did believe imperialism would use this factor. In the meantime, we feverishly got organized throughout the country. The first Fal rifles we received, we sent to the mountains. We were getting ready to fight in the mountains in the event of an aggression. The concept of what we did later in a larger scale was already present. We knew that even if the Yankee army were to arrive here, the Cuban people, possessing thousands of rifles would be able to fight and to resist. No one ever doubted this. But then we received flows, we could say, of other types of weapons: Hundreds of antiaircraft guns, hundreds of artillery weapons, hundreds of tanks. At least we thought we had hundreds of tanks. I do not know exactly how many tanks we had on 17 April 1961, but I can tell you we had enough to crush 10 Giron-type invasions, simultaneously. We had a bit over 100.

The population was mobilized throughout the country, especially in the capital. We concentrated many weapons there, because it is logical to expect that the invading enemy would try to seize the country's capital.

We mobilized thousands of militiamen. We had a few Czechoslovak and Soviet instructors. When they saw what was going on they said: This is an impossible mission. We need at least two years to train all these people. We said no. We have to stop them, and we must do it quickly.

We asked the militia to practice in the afternoon everything they learned in the morning about tanks, artillery, and antiaircraft weapons. This is what the group of instructors did. They realized that this way it was possible to train hundreds of thousands of people.

We recruited people in the universities, at work centers, everywhere; many young people for the artillery and antiaircraft pieces and for the battalions.

Meanwhile, we sped up the training of the official troops, people who were Sierra Maestra fighters who had been joining the struggle throughout the country. The personnel was trained very quickly.

We can say that the weapons we had at hand had arrived a few weeks, perhaps a few months, before the Giron invasion.

But Cubans, as you know, learn quickly, and we learned how to operate these weapons. With regard to the Air Force, we had been left a few old planes, jet fighters whose names I do not remember at this moment, some B-26's and three training jets. But the fact is that many of our pilots were from a small group of pilots who had been imprisoned because they refused to bomb Sierra Maestra peasants. Our Air Force had more planes than pilots, and it takes time to train pilots.

The training of cadres is very important. Companero Fernandez helped us a great deal in this regard. He is the one who taught everybody here how to march, because he studied in an academy. Our Sierra Maestra rebels did not know how to stand or how to salute or how to march. This veteran helped us a lot with aviation, with the formalities of military life, with the organization of platoons, a company, a battalion. We had platoons, companies, battalions, and columns in Sierra Maestra, and some of them were large and others small. Many recruits were trained as volunteers.

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We were bombed daily and lacked cigars, shoes, clothes, and food. Many of the recruits went back home, because Cubans are courageous but they also more readily engage in heroic actions and combat than work methodically and with discipline. No one could stand those cold days and not because of the cold, because it was hot there almost every morning; we had the daily visit of the planes.

We had to start from scratch to train the Army. We had help also from other officers who had been in prison because of their rebellion againts the tyranny or because of the way they acted, or because they had joined us, but they were too few, and Fernandez was tasked with directing the School of Cadets. He blames [words indistinct], something that many people do not find funny. We had the Turquino Peak fever; we believed that whoever had not climbed the Turquino a thousand times would never make a good revolutionary. I think Fernandez holds the record.

Those who went to the school of cadres to become cadres had to go through these tests.

There was the first course, as he explained, and the second course. We considered the forces in Matanzas good forces, shock forces. They are in the central region, not in the capital. We began getting ready at a good pace. When would they come? We did not have then the intelligence we would develop later. We picked up news reports, we read. But they control the media. The U.S. media was ordered not to report on the organizing of the expedition, but there were leaks. What are their plans? Will they try to form guerrilla groups in the various regions of the country? They had already formed groups in Escambray, and Escambray had been cleaned out more than once. They introduced weapons throughout the country. We wondered: What do they plan? Generalized guerrilla warfare? It is more difficult to capture small groups than troops. We wanted them to send them all together. What would they do? We adopted measures. We placed a militia platoon on each small beach of the country. No place was left uncovered. Meanwhile, all the provinces get their forces ready. If they chose to go for one location, what place would they pick? We thought about the Isle of Youth, where they could have planned to create some sort of Taiwan. There were thousands of counterrevolutionary prisoners and war criminals.

We then sent there tanks, infantry, cannons, and turned the Isle of Youth into a fortification.

Could it be Escambray? This was a logical place. They had organized many groups there. At one point, they had up to 1,000 armed men in Escambray. They were experts in evading our forces. I am not going to call them cowards. There may have been mistaken, very mistaken people who were personally courageous. I am not talking about personal morals. We must not underestimate the enemy.

These people were the opposite of what we were in the hills. When we were in the hills, we were always on the offensive, organizing ambushes, raids. Those in Escambray were always running away from revolutionary troops. They had some peasant support, it was a minority support, but nevertheless it was support. Perhaps 10, or 15, or 20 percent of the peasants supported them; no one can say exactly how many. There, the war was waged in a different fashion.

There was none of the intense political work that was conducted in the eastern provinces. In fact, some of the groups there had committed abuses. Escambray was weak from a political standpoint. The counterrevolution began there. Some former Batista army members went there. I repeat, on occasions, they were able to group up to 1,000 men. We conducted sweeps and reduced their numbers to 70 or 80. After a few months, with encouragement from abroad, they would rise up again. They always had the same concept, being on the defensive, trying to escape, waiting for the invasion to come, the Yankee invasion. So you can get an idea of their strength, there was a time in which the revolution deployed 50,000 men in Escambray from all the provinces and most of them from the capital.

The whole Escambray was divided and surrounded; it was divided into four parts and we began to put a squad on every house. At one time, Escambray was possibly their favorite site. It was mountainous, one had to advance along the coast, it had an airport, and they had some degree of internal support. But Escambray turned into another impregnable fortress. We kept thinking we had Giron left, and there was nothing in Giron. From the first year of the revolution, we began to build highways, improve the living standard of coal workers, families. The revolution built three highway or three fundamental roads; one from Australia to Playa Larga, the other from Yagujai to San Blas, and there is another place, Almeida must remember it [Unidentified speaker whispers: "Covadonga"] from Covadonga to San Blas. That one had a V shape, two roads.

We were building two tourist centers, and the work was pretty advanced. We were building schools. We built an airfield. The enemy needed the airfield for his weapon deliveries and to bring in the provisional government, which was the true plan that was organized already. Those days drew close with great activity in the revolutionary field, with the activities I explained to you earlier: Sabotages, armed groups, bandits in

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the countryside. But they were waiting for the main thing and the corresponding unknowns, how and where, whether they should subdivide the force they were training or amass it.

That was of key importance. For that reason it was very significant, although these things are always explained and much has been written about them, although key aspects remain to be written down, that we work out the problem and be prepared for the two variations, if it consisted of small groups we had to resist all the groups, or if consisted of marshaling their forces, we had to have sufficient force to destroy them. We were doing that, waiting for the invasion at any time, when they began bombing on 15 April in the early morning hours. That was a monumental mistake on the part of the enemy. When they attacked us the morning of the 15th, fabricated the story about being defectors' airplanes, used a considerable force as an air attack, we immediately realized that the invasion would be coming in 24 hours or 48 hours.

Although part of the country was mobilized, we immediately mobilized the whole country, all the forces. On the 16th, approximately at this time, 35 years ago, after we buried our comrades, a big rally was organized with tens of armed militiamen on the corner of 2d and 23d Street. The crowd filled up 23d Street for many blocks. The sentiment of outrage was tremendous, as one can imagine. The people were outraged. The revolution had advanced a great deal. We knew that that was the price they wanted to make us pay for the revolution. Although many of our measures, were merely based on social justice, they could be accurately called socialist measures. That means that the whole process of aggression against Cuba accelerated revolutionary changes.

Socialism had to come one day, but many things remained to be done first. We had not considered it the moment to talk of the socialist nature. Many battles were waged against anticommunism... [pauses] anticommunism was imperialism's main ideological weapon in the midst of the Cold War. We were not talking of socialism, however. On that date, based on the facts, the acceleration of that process, based on the enormous number of social justice measures we had implemented, we considered ourselves entitled to proclaim the revolution was socialist.

That was hailed all over the country by tens and hundreds of thousands of armed men. If in Sierra Maestra we fought to topple dictatorship and for social justice and the liberation of our country, starting 17 April, with their weapons in hand and willing to pay with their blood the people clamored for socialism. [applause]

That was truly the moment to give a strong, courageous, and defiant response, because Giron occurred when we were surrounded by U.S. squads and we sort of told them: If you wish to land, go ahead and land, because we do not fear you, we do not fear you. This was our idea and our determination.

This incident preceded the battle. We will not repeat it. Our comrades wrote one detail more and less; one more tank, one less tank. I requested two tanks [chuckles] replicas of one I boarded with five projectiles [words indistinct] this is history, anecdotes. I did not see them fire one single cannon and when they saw a few tanks advancing at full speed, the antitank units parted before Jimenez. This was at the north. Advance was occurring mainly through the west and also through the east [words indistinct] in Playa Larga.

And another one was called Stalin, the big ones equipped with 120-mm cannons that we drove along the border of Giron toward the east when our men ended up clashing with those of Cienfuegos, despite all warnings, but without any tragic consequences [words indistinct] but each party gives a different account on the hour, the place, the minutes; whatever happened on every moment [words indistinct] the developments, the facts, the details.

This is why one detail or another is missing everytime there is a book or a declaration. There could be a detail that time has distorted a little [passage indistinct] [chuckles] everything has been published. Many comrades participated and in a very courageous manner, in a heroic and unselfish manner, with total commitment. All kinds of forces participated: Cadets, those responsible for [word indistinct] militiamen, policemen, who engaged in very tough combat in western Giron, and peasants. The aviation played a very prominent role. The Navy did not participate more because our ships were in Havana. We loaded those frigates with [words indistinct] in case they were taken out by air the frigates of Havana were there. We did not have military bases in the south.

Regular troops from (Banagua) and other units from the capital had an outstanding participation. They brought the first tanks and artillery. This led to decisive developments. First, the attack was advanced 48 hours [words indistinct] explain how they did this. And they wanted to carry out a second attack but they could not fly more planes, because there were antiaircraft units protecting the three airports. This is why all the planes were not destroyed. The airports were reinforced. They talked about and thought about a second aerial attack on the morning of 17 April. They did not carry it out, but it was useless, because at dawn on 17 April all our planes were in the

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air heading for Giron to attack the enemy squad, the troops the invaders brought. This was a decisive factor.

Another important factor was to quickly understand [words indistinct] in the newspaper, because you referred to the paratrooper. They started to drop paratroopers very early because they [words indistinct] we learned very early that paratroopers were being dropped. They dropped paratroopers, and when they dropped the paratroopers there, we immediately realized that was the main direction. When the paratroopers arrived it was clear to us that if they were being dropped in Covadonga, San Blas, Aguaramas, (Palpite), and [words indistinct] on this side. They wanted the paratroopers to occupy and seize the three roads by dropping them on both sides of the Zapata Swamp. That swamp cannot be crossed or bordered, because anyone going through it would sink. They had tanks and antitank... [pauses] they had nearly 100 antitank [words indistinct] it would have been difficult to recover that position, very difficult and if we had tried to recover it by foot through the swamp, it would have been very costly. Thus, when at dawn we received news that landings were taking place, we started to make immediate mobilizations.

The most experienced unit we had at that time was the one of Matanzas. We asked Fernandez [not further identified] to deploy it to the operations zone; to the zone of Playa Larga, which was the closest one. But at that time all tanks were mobilizing in Havana. All cannons and all the antiaircraft forces, all battalions. Everyone was mobilized. The ships also because everyone had to be ready to advance.

There were only five [words indistinct] and there was no highway. They left at full speed, but the problem was that the presence of the enemy aircraft was active and numerous. We did not know how many planes they had; there was no way for us to determine if there were 20, 30, 40, or 100, and who were piloting them, because when they ran out of Cuban pilots they started to use U.S. pilots.

All that armament including tanks, artillery, and infantry was accompanied by antiaircraft units; there was a lot of that. And they had instructions to advance up to Jovellanos. Given that we did not know how many planes were in the air we could not risk deploying those troops in daytime beyond Jovellanos toward Giron. They were urged to camouflage themselves as best they could and to wait.

The aircraft attacked the squad. Our soldiers endured air attacks. We did not have more planes, but the important thing was to leave us without the squad. This is why we sustained casualties; because of this and because of the deceit of bearing Cuban insignias. As it was darkening the torrent of tanks, artillery, and everything else advanced in that direction while those in Villa Clara also mobilized; in other words, what the Central Army is today or already was, because it was founded on 4 April. They mobilized with all means to attack the area of Covadonga and Aguaramas.

In fact, we fought without respite, because I think that what was important is that we did not give them one minute of respite. The idea was to bring a provisional government, call on the OAS to organize an intervention involving four soldiers of each Latin American countries and the rest of them North Americans. We could not give them time to land their provisional government. That was the reason we did not give them one minute of respite during the combat [words indistinct] without communications. Communications between towns via telephone had been disrupted. Nothing could be spoken over the radio; we did not even have radios. We had some tanks, trucks, and some communication devices, but the swift movements that we had to make along the highways... [pauses] those civilian vehicles did not have but internal communications, they had not communications with the exterior.

They should have resisted 44 hours [words indistinct] it was a maneuver we should have carried out but we were deceived twice. I am talking about the Americans, not the mercenaries. During the burial, as I was speaking and about to end when we received news that a squad was approaching through western Havana [words indistinct] I thought this was strange, they want to start in Havana. The landing in Playa Larga had not yet occurred. I recall that I ended that activity quickly [passage indistinct] and on the evening of 17 April in that area in (Palpite) I learned about a landing through western Havana. I asked, is that confirmed? I was told: Yes, confirmed; contact was made with the [word indistinct] I was completely resigned. I was awaiting some tanks for that maneuver [words indistinct] Playa Larga to continue advancing through the west toward Giron before dawn. Those in Giron encountered our tanks and could not flee [words indistinct] lost its importance. I said all this is very strange. I arrived in Havana and learned there had been no landing. All this was very disappointing [words indistinct] most of our means were in Havana.

There were frigates and ships with all... [pauses] 10 percent, 10 percent of the means we had was mobilized here, if we do not count the air force. Well, whatever landed in... [pauses] they would get beaten up. Of course they would, because these were serious matters. We were here; it was a 4-hour trip by land at high speed. They took four hours from Havana to get here. They carried out two plans. The first one was rather

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unsuccessful, because [words indistinct] however, the second one was successful [words indistinct] it lasted approximately 68 hours. It must have lasted less than 48 hours; it must have lasted 46 or 44 hours. Sometimes when we remember this, Fernandez; it is painful to us, because if the beating was considerable, we would have liked it to be faster. [applause] These memories are always painful; well, what else could we have asked for? We were in peace [words indistinct] it was logical for our people to attack; they attacked open places and alongside straight roads because they could not flank them; they attacked at a swamp. Airplanes that bore Cuban insignias treacherously betrayed them.

This is how those days went by. We have already explained many times what each one of us, the rebel Army, the Interior Ministry, did. Our armed forces were already formed by everyone who had a weapon. However, we still needed the militia. The armies were organized in all the main provinces and regions; we had nothing beyond the level of battalions. Our highest level during the Playa Giron invasion was the battalion level. I sincerely believe that Playa Giron was a major feat by our people not only because of what they did, but also because of what they were willing to do. We had the confidence that the Yankees were going to be defeated in Cuba, even though the price was very high for us. The first Playa Giron, I mean, the first Vietnam had reportedly been us. [applause]

I was mentioning the hundreds of thousands of weapons we had; we had enough weapons. For each weapon we had, we could take away 10 from the invaders. Since I believe in the fight for the liberation of Cuba, 9 out of 10, it is an estimate, weapons we had had been taken away from the opposing army. Cuba had reportedly resisted, and thanks to its heroism, it prevented that war. This was not the only danger we faced; there were wars against rebels, wars against terrorists, wars against bandits. There were times in which we had groups of bandits in all the country's provinces. There also were mercenary wars and frequent mobilizations, because there were dangerous plans and news. We had to mobilize the entire population.

I believe the October crisis constituted a victory among victories, because the courage the entire nation showed under those circumstances had no equal or precedents. We had pirate attacks for years. We have had to invest a great deal of resources and make many sacrifices to defend this country in all these years of revolution. The U.S. incessant blockade became more rigorous by the day; the USSR and the socialist arena disappeared. I think we won some kind of raffle; we no longer know who to blame: Christopher Columbus, the British [laughs]. They did not leave... [pauses] we are really pleased; this is the place for us. History is the one that made this people. History is difficult, difficult, difficult. First, the European conquest, then the disappearance of almost the entire native population; then slavery came. Hundreds of thousands of slaves went to the provinces. The enslaving society, the U.S. annexation attempts throughout centuries, and our people's struggle in several independence wars to become what we are today constitute the raw materials from which these people were made.

The 10-year war; 10 years fighting [words indistinct] I was remembering that today when the replicas of the machetes [of Antonio Maceo] were handed out. The invasions. When Latin America as a whole, almost at the same time, liberated itself from Spain, that country had in Cuba more soldiers than all it had together in Latin America. Up to 300,000 men in arms fighting against a small country! In my opinion, all those historic factors have made possible what Cuba is today. Those historic factors and the revolution! What did they want to take away from us that 16 April? What did they want to take away from us with that mercenary invasion that they had not been able to take away from us with their blockade of fuel, food, and machinery and their subversive plans? They wanted to take away that by force, through an invasion. They wanted to take everything away from us, everything that is a source of pride for our country.

I was reading a figure. The infant mortality rate was 7.5 percent in the first three months. That is truly unbelievable. I do not expect we can maintain that. We would have to be extremely optimistic. Never on a day like today, however, would we have had an infant mortality rate of 7.5 percent with our health rates. How many rich nations, nations with resources have this rate. In Washington, over 30 infants die for every 1,000 live births. Of course, those who die are chiefly the children of black people. White infants also die. There are many poor whites now, under worse conditions than the others.

Thousands of schools, the more than 2 million children students in primary schools. The almost 9,000 primary schools we have today. The over 150,000 children in day-care and preschool centers. There are hundreds of thousands, over half a million, middle-level students. All the special schools, all the art schools, everything that we watched today. What would have remained of our public health, education, and culture? What would have remained of this country, if they had been able to take over at that time?

Our struggle today is even more worthy of merit. We are fighting alone. Before, there was a time in which we were alone but believed we were accompanied. Some

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lessons [chuckles], such as the October crisis, and others taught us. There is the accelerated withdrawal at full speed ahead of that little brigade that remained here. By that time, that was no secret. A long time ago, we realized that Cubans and Cubans alone had to and could defend the country, using the correct tactics to defend the country. It is not Clausewitz' war games, but the war of the whole people. [applause] That is how we made the revolution, and that is how we have defended it, and that is how we can continue defending it. There is no comparison.

It is a fact that these neighbors of ours are more and more crazy, more and more ungovernable, more and more confused, and slower with each passing day. This can lead them to make mistakes. Major mistakes! We must always keep this in mind. Feel fear? How can we even imagine fear after all we have gone through? Sooner or later they will have their own world, one they are looking for all on their own.

They are seeking a world that will be less governable. I have the conviction that some or all of our municipal governments know more about politics that the U.S. Government. [applause] Our municipalities govern better than the U.S. Government. They have chaos dividing the country between reactionary currents, more liberal currents, division between reasonable and unreasonable people.

They resort to all sorts of resources to encourage ethnic fears, encourage fascist attitude and trends. To begin with, not even they themselves are able or willing to govern themselves. Because that chaos of hundreds of millions of dollars in drugs, a crime wave tragedy that continues to grow each year, that hatred toward the poverty stricken, that desire to eliminate all pensions and social gains which, one way or another, the people of the United States have been entitled to for decades since the time of Roosevelt... [pauses] There is the practice of always wanting to govern the world, or tell each government what it is supposed to do, of insulting presidents [chuckles]. Presidents whom they describe as friends [pauses], or presidents of whom they say they are friends.

We also have the constant barrage of proconsul-like statements usually made by U.S. ambassadors. We have the conduct revealed during the 24 February incident, an incident that could have been prevented, an incident that had been foreseen by us, an incident which we had called attention to on dozens of occasions. On this issue we have some more information. However, sometimes it is always useful to withhold some of the facts. It is quite useful. We must always conduct ourselves as gentlemen, up to the point when we have to deal with indecent people. You have all been able to witness the handling, the countless number of times the airspace was violated, and the ever-growing ventures over our capital city. This is something which no country in the world tolerates.

They have claimed those planes were in international waters. Those planes are designed for war; they were acquired from the U.S. Government, which used them in Vietnam. We have been attacked with light aircraft many times. We have been subject to bacteriological warfare. They have used all means available against our country. Their attempt to condemn us at the UN Security Council [words indistinct] is shameless. Our morale is very high, and we speak with the truth. We always speak the truth and will be invincible with the truth and our morale. We shall win battles in all the fields. [applause] We shall win battles in all the fields we may have to fight. We wait. We are patient. We have learned to be patient, as patient as necessary to the point in which decorum can become reconciled with patience. We are not warmongers or anything of the sort. We are glad to mark here the 35th anniversary that we celebrate today. We are glad for all the lives that were saved. We are glad for our children who have grown healthy, educated, and learned. We are glad for our wonderful youth. We marvel at our heroic people. Yes, may they live and may they live a long life. We know that to live with dignity in this world we have to struggle. You see each day on television what happens in the rest of the world. The other day you saw a video of Mexican immigrants who were brutally beaten; this beating has caused indignation, repulsion. It was a woman! She did not receive one or two blows but, rather, five, six, 10 blows! This beating took place in front of the television cameras, so who knows what happens behind the television cameras. Persecutions, policemen, horses, dogs everywhere. There are strikes every day. People are beaten up every day everywhere. Thefts and more thefts, drugs and more drugs. There is more and more loss of sovereignty. What is happening in the world today is shameful, but it cannot go on forever.

There is a growing number of people whose awareness is being raised, who rebel, who are sickened, and turn adamant when they see a hegemonic world, with a power capable of telling the lies it tells, as it did here in Giron and like the ones it tells all over the world. It would be a never-ending thing to try to list them here, even as an example of the lack of scruples and morals that exist in the heart of that empire. Regardless of what the difficulties may be, they are not greater than that of other countries, when we compare our country's indexes with what is happening in Latin America and Third World countries. They are really subjugated and

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constantly repressed. Marti said that freedom had a high cost and either one resigned oneself to live without it or decided to pay the cost. That is one idea, I do not know if he uttered those words exactly: Our independence costs struggle, sacrifice, our dignity, our honor, our right to progress, our tomorrow, our future. All those things they want to take away from us have a very high cost. But you and us, all of us, men and women, boys and girls, all of us, those of us who have had the privilege of knowing the pride and sense of what dignity and honor are and what the fatherland is, of all those beautiful things worth fighting for, are determined to pay its cost because we will never resign ourselves to live without them. [applause]

I do not want to take too long. Neither do I want to forget to mention this province that welcomed us here with its customary hospitality, its accomplishments and achievements which we can refer to, for example, in one unmistakable fact. In 1995, the province was able to attain 87.5 percent of the production value it had accomplished prior to the special period. [applause] This is true, progress, work, progress that can be seen. In addition, the province is currently concentrated in a tough battle with the sugar harvest. Unfortunately, the sugar harvest has not always been supported by favorable weather, but always backed by the disposition to grind up to the last sugarcane. [applause]

Currently, we already have nearly half a million metric tons of sugar more than last year. However, we are still not satisfied and we still have go be on the lookout for unfavorable climate. There are days when the climate is nothing less than splendid. Just take a look at today. Heavy clouds since noon up until 1700, and magnificent late afternoon sun, on a special day such as today. [applause]

Let us hope the weather will continue to help us, and for the tremendous forces dynamically unleashed during the past weeks by our compatriots throughout the country to prevail so that we can reach the end of this battle. Without any doubt, this will be a demanding battle, but one that will ultimately demonstrate the progress and improvements we are obtaining despite the difficult moments confronted.

Now, we are facing, not the Playa Giron mercenaries, but another more dangerous kind of mercenaries, who want greater hardships for our people, who want to hamper our path as we are slowly recovering from that major disaster, that tragedy, that the disappearance of the socialist camp entailed and turned us into lonely soldiers as a people. In this case I am not including the hundreds of millions of people who sympathize with Cuba. We were turned into lonely soldiers of mankind's loftiest causes, clean soldiers, and pure soldiers without chains. We will resist despite those adversaries I was alluding to.

They threatened us for so many years. The Helms-Burton law. Perhaps all of you pronounce it as poorly as I do, because, listen to this, we have received so many things in the English language, that we forget good-bye [preceding word in English] even. Although saying good-bye is no bad thing. The peasants there in (Viranto) used to say goor-bye [laughter].

They even threaten us with their weapons. They dare to. We do not want a battle, we do not want war. We do not have to act bravely. I believe that even they do not doubt the courage of our people. We want peace. Again I repeat this idea. We will strive for peace until the limit the honor and dignity of our people and our sense of responsibility allow. We do not want a victory like the one in Giron, nor 100 victories like the one in Giron. What we want is peace, health, welfare, life, things we will only risk without hesitation whenever they become the price of sovereignty, independence, honor, and freedom. I am completely certain that all of you agree with this principle, this idea.

Today we paid tribute to our martyrs. As a companero said, by doing this we have paid tribute to all of those who have fallen before and after the triumph of the revolution. By doing this we pay tribute to the first Mambi soldier who fell in our wars of independence. By doing this we pay tribute to those who have and will have to die. With it we pay tribute to our heroic people.

I try to imagine for one instant that moment in which the responsible militia battalion of this historic school marched to combat in Giron and did not stop until reaching the culminating, key, and decisive point of the battle. Men who were more or less young like the ones who are here. Men and women like you.

They marched to combat. They marched to death. A significant number of them died a short while afterwards and a significant number was wounded in a very short time. If there is something we wish with all our soul in a day like today is that you, and all our fellow countrymen may always be like those fighters, like those men and women.

Those people wrote one of the most brilliant pages in our history for future generations which will not be thinking about the dimensions of the neighbor, but about the dimension of this small country that has been able to resist for 35 years, and that is prepared to resist 35 more years, and 35 times 35 years. [applause]

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Today, when we commemorate another anniversary of the day we proclaimed the socialist nature of our revolution let's say this with pride, let's reaffirm now as we did then, certain of our victory: Socialism or death! Fatherland or death! We will prevail!

Cuba: Fernandez Speaks at Anniversary Ceremony

PA1804023096 Havana Radio Rebelde Network in Spanish 2112 GMT 16 Apr 96

[Speech by Jose Ramon Fernandez, vice president of Cuba's Council of Ministers, at the ceremony commemorating the 35th anniversary of the invasion of Playa Giron at the Central Army headquarters in Matanzas Province — live relay]

[FBIS Translated Text] Comrade Commander in Chief Fidel Castro, comrades of the Party's Directorate and government, relatives of the fallen soldiers, Playa Giron fighters, comrades:

Today we commemorate the 35th anniversary of the victory of Playa Giron, a victory that made it possible to maintain the achievements we had made and enabled us to continue our revolutionary work. During the short period between 1 January 1959 and the day of the mercenary attack all of the properties that had been illegally acquired by those who misgoverned the country had been confiscated; we had nationalized or confiscated mines, large estates, transportation, electricity, telephones, banks, and other important production means. The first agrarian reform law had been approved, educational services had been expanded to make them accessible to all and a literacy campaign had been started. State health services had been expanded and the vast majority of the population received free medical attention. The urban reform law had been promulgated, which made hundreds of thousands of Cubans property owners. The INDER [National Institute for Sports, Physical Education, and Recreation] had been created, promoting physical education and sports. Firm steps had been taken to eliminate race and gender discrimination and to guarantee employment for the great majorities. People became aware of the need to eliminate any kind of corruption. People had identified with the concepts of social justice, equality, dignity, and above all, national sovereignty.

We faced the Yankee imperialists to defend our sovereignty. When attacked, we returned blow for blow. The single star flag was shining as it should. The victory of Giron was a vivid example of our commander in chief's idea on how we should defend of our homeland, which was trying to wage a war by all its people.

The National Revolutionary Militias were created by mid-1959. Our country was united around Fidel, Raul, and the Revolutionary Directorate. Our people knew that the liberating revolution had arrived which made them owners of their own destiny, and they defended it in Giron. Becoming a militiaman was not easy, though. It was necessary to earn that right. In creating and organizing the militias, Fidel's firm criteria was maintained in demanding profound revolutionary conviction, patriotism, spirit of sacrifice, and firm determination. In order to be a member of a militia battalion, the applicants had to participate in long marches that required great physical endurance; they were trained under field conditions, living in open air and in the forest, under sun and rain. They slept in hammocks, having nylon or the sky as roof. There was only water for essentials. They underwent rigorous military training, tactics, shooting, combat engineering, and other tasks from dawn to dusk. After the sunset, they heard lectures and analyzed current problems. They did all this amid rain, sun, and mud. They were required to make night watches, take good care of their weapons, and observe strict discipline. Successfully completing the course at the militia battalion school gave great satisfaction to militiamen and instructors. Receiving the green beret that was given to those who completed the course became a symbol. Having a green beret was something to be proud of, and many wore them with civilian attire.

It became obvious that it was necessary to train officers to lead the dozens of battalions that were being created. For that purpose, the commander in chief decided that workers, students and labor leaders would be selected based on their qualities and revolutionary attitude. They had to go to Sierra Maestra for a month to live in the open and climb the Pico Turquino mountain three times. Those who managed to pass the test entered the school of students of the first course of militia leaders, which operated here in this place. That course, which was more demanding and rigorous than the one given to the battalion militiamen began on 13 August of 1960 and ended on 24 November of that same year. A total of 536 students graduated, including 15 women.

They were immediately appointed chiefs of battalions, companies, and platoons in militia, infantry, and anti-aircraft units as well as in other posts.

The second course, selected in a similar manner as the first and subjected to the same tests, had begun on 2 February 1961. A total of 879 students graduated. That course, which later became a combat battalion, was one of the first units designated to face the invader and with its preparation, courage, firm determination, and patriotism, it became one of the principal elements for achieving quick victory. A total of 22 of its members were killed and more than 50 were wounded.

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Shortly after midnight on Sunday, 16 April of that year, we received a call from the commander in chief ordering the school to be sent to the invasion area and to annihilate the invaders. He said we should not lose time and should immediately move from Managua, where we were, to Matanzas. He told us he would take care of the school. It was dawn when we reached the school. We put them in nearly 40 trucks because the center had no available transportation. We stopped those that were passing through the central highway. The trucks were unloaded and its own drivers were sent to the mission. Fidel, persuasive, energetic, and systematic was continuously on the phone in Managua, in Matanzas, in our passage through Jovellanos, and upon our arrival at the Australia Sugar Mill. He would confirm orders and asked that we quickly annihilate the invading force. At around 0900, the Australia school arrived and at around 1200, we informed Fidel that we had taken control of (Baldiger) and he said: We have won the war. If these people did not realize that they should have defended Baldiger, they are lost.

He also informed us about the enemy ships that had been sunk by our heroic rebel air force. It was important to put an end to the mercenary invasion as soon as possible, thereby avoiding the intervention of the imperialists. The revolutionary forces moved from the mouth of Laguna del Tesoro, from the Covadonga Sugar Mill, from Yaguaramas, along the coast from the direction of Cienfuegos, exerting permanent pressure until they reached Playa Giron.

Our revolutionary forces were invincible in the bloody and fierce battles that took place. They displayed their heroism and they compensated their lack of expertise on tactics and techniques with courage, their willingness to prevail, their fighting spirit, and the most firm patriotism. The few pilots we had took off in planes, which they themselves named: Fatherland or death. They were not on duty or discharged from duty, they were simply flying thanks to the skills of mechanics and the courage of pilots. We cannot forget the support of the people of Jaguey Grande, near the area where the landing took place. These people procured weapons, they helped our troops and encouraged them and gave assistance to the injured. It was an example of what would have happened anywhere in Cuba.

Our people in the rear guard, through the CDR [Committee for the Defense of the Revolution] and the Interior Ministry, prevented actions of sabotage and all enemy activities conducted by networks, which the CIA had in Cuba at the time. They prevented all types of hostile actions from taking place.

The organization of the invaders, the military experience of nearly 200 of them, who had been officers of the tyranny's army, their modern military equipment, the continuous support of mercenary planes, which was many times larger in number than the Revolutionary Air Force, was not enough to contain our fighting spirit and the firm determination to annihilate the enemy. In the entire country, in the eastern part of the island, under the command of the minister of the Revolutionary Armed Forces, Commander Raul Castro, in the central part, under the command of Juan Almeida Bosque, and in Pinar del Rio, which was under the command of heroic guerrilla leader, Ernesto Che Guevara, the revolutionary forces and the entire people were on a war footing, ready to reject any attack in those regions. Fidel led all the operations with wisdom, audacity, and ability. His presence in places of great danger or his decision to march in front of the combat troops as he did in a tank, provoked the protests of those of us who were here. The commander in chief with his presence generated a great spirit among the troops. He gave them encouragement and was an example for all in order to attain the revolutionary victory.

Comrades, [applause] nearly 160 fighters lost their lives in the actions that crushed the mercenary invasion of Playa Giron. These lives could only be compensated with the fact that they saved the revolution when its socialist character had already been made public. Today our people are more aware than ever of the blood that was shed in '68 and in '95 [as heard], in Moncada, in Granma, and in the Sierra Maestra. Those who were killed in the clandestine struggle, in the fight against bandits and in Playa Giron did not die in vain. As a tribute to those who fell, let us remember today the words spoken by our commander in chief when he referred to the second course of militia members who left this place and heroically fought against the mercenary invasion, when he said: We will never forget the role of that unit, which in broad daylight and following the enemy attacks, marched from the Australia Sugar Mill to [word indistinct] and guaranteed victory at Cienaga de Zapata, the road that later took the forces of the revolution to victory. We can never forget those students who gave their lives in combat. We can never forget those students who were killed in the first clashes, those who did not graduate as militiamen, but graduated as eternal heroes of the fatherland. I end Fidel's quote there. [applause]

In view of the renewed attempts by the enemies of the revolution to destroy it, through the genocidal Helms-Burton law, let us shout louder than ever with a single voice: We swear to be faithful to the ideals of socialism, to the defense of the fatherland's sovereignty,

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to those who fell in Giron, eternal glory to the fallen in Giron! [crowd shouts: Glory!] Long live our invincible socialist revolution! [crowd shouts: Viva!] Long live Fidel! [crowd shouts: Viva!] Fatherland or death! We will prevail! [crowd shouts: We will prevail!] [applause]

Cuba: Playa Giron Invasion Anniversary Commemorated

PA1804043996

[FBIS Report] Havana Radio Rebelde Network in Spanish at 2100 GMT on 16 April begins broadcasting a live relay of the ceremony commemorating the 35th anniversary of the Playa Giron invasion at the headquarters of the Central Army in Matanzas Province. Reception is fair.

The military ceremony begins with the presentation of arms, followed by the playing of the Cuban national anthem. After the reading of a revolutionary poem, Jose Ramon Fernandez, vice president of Cuba's Council of Ministers, delivers a 15-minute speech in which he comments on Cuba's achievements before the invasion of Playa Giron, gives a thumbnail sketch of the invasion, and praises Fidel Castro's role in the historical event.

After the reading of another revolutionary poem and the announcement of names of individuals who will be awarded for their "outstanding revolutionary duty," Cuban radio and television actor Felix Pastor Arrencibia delivers a nine-minute speech on "Yankee imperialism" trying to soil the honor of the Cuban people and "ultra-reactionaries," and he ends his remarks by shouting: "Eternal glory to the homeland's heroes and martyrs! (crowd replies: "Glory!") Long live the 35th anniversary of the proclamation of the socialist nature of the revolution! (crowd replies: "Viva!") Long live free Cuba! (crowd replies: "Viva!") Long live Fidel! (crowd replies: Viva!) Socialism or death! Homeland or death! We will win!"

After the playing of songs, President Fidel Castro delivers a 94-minute speech in which he comments on the socialist nature of the Cuban Revolution, recounts at length the events of the Playa Giron invasion 35 years ago, and criticizes the United States.

After Castro's speech, the network reports on the subsequent military parade and notes that troops march in formation in front of the dais where Castro is seated.

At 2343 GMT the network concludes its coverage.

Cuba: Anniversary of Warsaw Ghetto Uprising Commemorated

PA1704185196 Havana Radio Rebelde Network in Spanish 1700 GMT 16 Apr 96

[From the "National Radio News" program]

[FBIS Translated Text] Hebrew Community House today will honor combatants of the Warsaw ghetto uprising and victims of the Nazi genocide of World War II. A ceremony will be held at 1800 today at Hebrew Community House, corner of E and 13th Streets, in El Vedado. Dr. Jose Luis Lopez, leader of the Jewish community in Cuba, stated:

[Begin Lopez recording] We make a point every year to commemorate the Warsaw ghetto uprising and to remember all of the Jews killed during the Holocaust, victims of the Nazi genocide, and all non-Jews who were also victims of that war. This is most important in these days: Xenophobic and racist attacks are on the rise worldwide, while neo-Nazi groups and the numbers of those who deny that the Holocaust ever took place continue to grow. Fortunately, we live in a country where the people are well informed and are fully aware of historical facts. No one here has ever distorted these facts. [end recording]

Dominican Republic

Dominican Republic: 'Plot' Against Haiti's Preval Reported

PA1804031996 Madrid EFE in Spanish 2128 GMT 17 Apr 96

[FBIS Translated Text] Santo Domingo, 17 Apr (EFE) — Haitian and Dominican security agencies have discovered a plot against the Haitian Government by former coupist officers that reportedly would include an attack on Haitian President Rene Garcia Preval, a diplomatic source told EFE today.

For that reason, according to the source, the alleged plot leaders are under arrest since last Friday at the officers' pavilion of the Dominican Armed Forces. They are former Colonel Michel Francois, formerly Metropolitan Police chief in the Haitian capital, and former Port-au-Prince Mayor Frank Romain.

The Dominican police is also trying to locate former coupist Colonel William Regala, who apparently met several times supposedly to conspire with the alleged coupists Francois and Romain in the city of Barahona, on the southern Dominican coast.

The Dominican Government is waiting for the Honduran Government to grant asylum to Francois and Ro-

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main while it continues searching for other former officers implicated in the coup against Jean-Bertrand Aristide in September 1991. According to the source, among them are former General Henri Namphy, who was the de facto president from 1986 to 1988, Duvalier followers, and supporters of the former military junta headed by former General Raoul Cedras, who reportedly are implicated in the plot against Preval.

The diplomatic source said that "many people from the past dictatorship and some businessmen linked to the former Duvalier government" who reside in the Dominican Republic are implicated in the plot against the Haitian Government and the possible attack against Preval.

The source added that recent violence in Port-au-Prince was part of the plot to destabilize the Hatian state.

"Dominican authorities were informed during the visits to the Dominican Republic of Foreign Minister Emmanuel Fritz Longchamps and President Rene Garcia Preval" in March.

Francois lives in the Dominican Republic since September 1994 and Romain since 1992. Regala, who has been accused in Haiti of repressing a protest against Namphy in which several people were killed, including Dominican cameraman Carlos Grullon, has been a refugee since the end of 1987.

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Mexico: Police Search for Murderers of Ex-PGR Official

PA1804050096 Mexico City Radio Red Network in Spanish 2300 GMT 17 Apr 96

[Report by Jorge Roche and Edgar Munoz from "The Night Monitor" newscast]

[FBIS Translated Excerpt] Several police corps policemen are combing Tijuana and its nearby areas to locate the two individuals who participated in the murder of Jose Arturo Ochoa Palacios here this morning. Ochoa Palacios, a former official of the Office of the Attorney General of the Republic [PGR], was killed by at least seven 380-caliber bullets while jogging at the Tartanela sports field this morning. Several teachers who were in the area saw the crime. [passage omitted]

Ochoa Palacios was considered a key figure in clarifying the murder of PRI [Institutional Revolutionary Party] candidate Luis Donaldo Colosio because: 1) He was the PGR delegate in the area and was the one who issued orders; thus, he was informed that two Federal Judicial Police, under the orders of First Commander Raul Ossa Parra, who is in hiding around here somewhere, had videotaped the Lomas Taurinas rally; 2) Jose Arturo Ochoa Palacios was the one who ordered the Federal Police to confiscate all the videos of the Lomas Taurinas political event; 3) Sixteen hours after Colosio's murder, he was the one who ordered that Jose Antonio Sanchez Ortega, an employee of the governor's office, be set free on bail even though he came up positive in the [word indistinct] test, and his lab test revealed marijuana residue; and 4) Ochoa Palacios oversaw the interrogation process of Mario Aburto Martinez.

Following instructions of then Attorney General Diego Valades, Ochoa allowed current Sonora Governor Manilo Fabio Beltrones Rivera and his chief aide to also question Aburto Martinez, who has since been sentenced to jail for homicide.

As far as we know, none of the three prosecutors in Colosio'case has ever called Ochoa Palacios to testify, but people saw Ochoa Palacios, who seemed to be very nervous, going to the courthouse approximately six months ago. It was then that he tried to process a judicial amparo to avoid being arrested. Ochoa Palacios was also seen at the Abelardo L. Rodriguez airport in Tijuana a week ago. He was there to receive his friend and former boss, Diego Valades. [passage omitted]

The PGR has not yet issued an official report on the murder. It is as if nothing had happened to a former official who held such an important position in the Colosio case, but PGR sources have stated that the PGR will not directly participate in the Ochoa Palacios murder investigations, because it is a common crime and local judicial authorities are responsible for such cases.

Although the PGR has not issued any report or given its official version of the case, we have been told that a special PGR group was sent to Tijuana to help in the investigations. The PGR has confirmed, however, that Jose Arturo Ochoa Palacios was the delegate in Baja California when Luis Donaldo Colosio was murdered in Lomas Taurinas, Tijuana, and, obviously, was acquainted with the case from the start. [passage omitted]

Mexico: Canacintra Demands Government Assistance

PA1704144196 Mexico City LA JORNADA in Spanish 15 Apr 96 p 51

[Report by Patricia Munoz]

[FBIS Translated Text] Carlos Gutierrez, president of the National Association of Manufacturers (Canacintra), has said that the industrial sector demands a financial assistance package such as the one offered by the government to the banking sector to overcome its current idleness, to "save from death" many companies on the verge of technical bankruptcy, and to promote recovery.

The leader noted that "just as the government is supporting the banks, it should set up a support program for the manufacturers, with credit at preferential rates, because the current problem being faced by the companies is the lack of liquidity."

In light of the current situation, a well-employed credit can determine the viability or the ruin of many companies and this "would be the formula to rescue many businesses," Gutierrez remarked.

He explained that this sector wants more relief programs for debtors, "but if this is not accompanied by a recovery, then we will continue giving aspirin to the patient until he dies, because his condition will not improve."

Carlos Gutierrez stressed that although the problem of the debt in overdue portfolios is important, it will not be solved if there is no recovery. This is why we are demanding an integral program of financial assistance to the manufacturing sector, which, at the same time, could spur the national economy.

He suggested that the business sector "is placing all its bets on the possibility that the industrial policy program — which will be announced this year — will have immediate results." Gutierrez pointed out that the importance of the said program stems from the fact that

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the country's industrialists want to sustain their survival and their future, both immediate and long-term, with an integral program that would provide support for an industrial project.

Therefore, this project is expected to be implemented shortly and is expected to yield results this year. In other words, this program is expected to provide elements to act in this specific situation, because otherwise, many companies "will not be able to reach the medium term," Carlos Gutierrez warned after adding that a major portion of the manufacturing sector is currently facing a situation of strict survival.

The priority of this plan will have to be promoting the export manufacturing sector as one of the pillars to generate jobs and boost growth in the country. However, this objective will not be accomplished unless it is accompanied by a development policy via tax and deregulation measures, as well as technological development measures for the micro, small, and medium enterprises.

The manufacturing sector requires decisive actions against dishonest trade practices, with emphasis on the substitution of imports, as well as a move to federalize government purchases. All of this requires guidelines and support packages, which will be contained in the industrial program.

In addition to this integral program, we need to establish an aggressive program of financial support, not only to cover the banking sector but also the manufacturing sector, that is, the assistance packages should be shared with the manufacturing sector in order to begin to break the vicious cycle of a lack of liquidity.

"If we are able to make money available, at preferential interest rates, to the right place and at the right time, these results will lessen the problem being faced by the companies, unemployment, and consequently, the manufacturing sector will have breathing room to continue operating," the industrialist warned.

He added that both the indebted companies as well as those that have no outstanding debts need credits, since sales are slack, money is scarce, and this year, the financial problem could worsen for several companies.

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Guatemala

Guatemala: Riot Police Chief Dies During Eviction

PA1804034096 Panama City ACAN in Spanish 2329 GMT 17 Apr 96

[FBIS Translated Text] Guatemala City, 17 Apr (ACAN-EFE) — According to official sources, at least one Guatemalan riot police chief died today when policemen tried to evict the inhabitants of certain lands that landholders and peasants are disputing in a region in western Guatemala.

Police Spokesman Oscar Quinonez has confirmed to ACAN-EFE that "there are serious problems" at the El Tableto Farm, located in San Marcos Department, adding that he did not know whether the incidents had left any casualties.

Other police sources have identified the dead policeman as Edgar Soto Hernandez, who was appointed chief of the Immediate Deployment Force (FRI) 45 days ago. Meanwhile, another policeman, Ernesto Alvarado, sustained serious injuries.

Quinonez has said a group of 200 policemen of the Riot Battalion and the FRI were deployed to the area to carry out the eviction order a court had given.

Other versions state that the events, which happened when the peasants attacked the policemen before they entered the plots of land, caused the deaths of more people, but the authorities have not confirmed this yet.

Government Minister Rodolfo Mendoza and National Police Director Angel Conte convened a news conference at 1800 local time (0000 GMT 18 April) to explain the events.

For years, more than 50 peasant families have occupied the lands of the El Tablero Farm, located approximately 200 km from this capital, and they claim them as theirs.

Meanwhile, the owners of a neighboring farm, Australia, have claimed that the peasants have "squatted" their plots and have asked for the intervention of the judicial authorities.

According to the Peasant Unity Committee (CUC), one of the country's leading central organizations, at least 150 farms are faced with these types of disputes.

Juan Tiney, general coordinator of the National Indians and Peasants Coordinating Board (CONIC), another peasant central organization, has blamed the clashes on the "irresponsibility" of the judge who has issued the eviction order.

Tiney has told ACAN-EFE that the problem at El Tablero is a boundary problem and that a special commission has been tasked with establishing the true boundaries of the plots.

The Australia Farm is located in the municipality of Tumbador, San Marcos, while El Tablero is located in San Pedro Sacatepequez. The two farms are located in San Marcos Department.

The owners of the two properties accuse each other, however, of trespassing onto the other's property.

A judicial order in February dictated the eviction of the inhabitants of the community of El Tablero but was revoked at the last minute; the municipal authorities of San Pedro Sacatepequez have been trying to establish the territorial boundaries since then.

"The peasants are defending their land, because they are being stolen from them just as we are on the brink of the 21st century," Tiney has said.

The Indian leader has said his "brothers" are the victims and not the transgressors as the landholders who have the financial resources to buy judges are trying to suggest.

Guatemala: National Police Director on Ambush by Squatters

PA1804040296 Guatemala City Cadena de Emisoras Unidas in Spanish 0000 GMT 18 Apr 96

[Report by German Betancourt; from the "News Patrol" newscast]

[FBIS Translated Text] The eviction of the inhabitants of the Australia and El Tablero farms was suspended by order of a Government Ministry official after squatters staged an ambush 2 km before police forces reached the plots of land that remain occupied; there, the peasants surprised the members of the Immediate Deployment Force [FRI], hurling tear gas grenades at them and attacking them later with sharp machetes. This incident resulted in one dead policeman, who was identified as FRI Commander Ernesto Soto Hernandez. Gerardo Alvarado Pensamiento sustained serious wounds; he was shot in the upper right part of his body. The bullet exited through the same side.

Several FRI members also have been reported beaten and injured. These policemen received medical attention in the emergency room of the local social security hospital. These policemen were later discharged.

National Police Director Angel Conte Cojulun arrived in this municipality this afternoon. Here is what he had to say:

[Begin recording] [Betancourt] What do you think about today's events?

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[Conte] We deplore the death of Chief Ernesto Soto Hernandez, commander of the National Police FRI, and we also deplore the wounds sustained by another policeman who was moved to this hospital of the Guatemalan Social Security Institute.

[Betancourt] Will you adopt severe measures in light of this situation?

[Conte] We will continue acting within a strict legal framework and will await the respective orders by the proper authorities. We will wait to coordinate actions with the judge and the prosecutor before making any move. [end recording]

Guatemala: Minister Condemns Peasants' Attack on Police

PA1804040396 Panama City ACAN in Spanish 0139 GMT 18 Apr 96

[FBIS Translated Excerpt] Guatemala City, 17 Apr (ACAN-EFE) — Guatemalan Government Minister Rodolfo Mendoza today accused a group of peasants who are still occupying a farm in western Guatemala of perpetrating the attack that left a police chief dead and another eight policemen seriously injured.

The incidents took place at the El Tablero Farm, the lands of which are being disputed by the landholders and the peasants. This property is located in San Marcos Department, approximately 300 km from this capital.

One hundred riot policemen were deployed to the area this morning to carry out an eviction order dictated by a local court.

Government Minister Mendoza said that before taking any action, Edgar Soto, 45 years, head of the group and commander of the Immediate Deployment Force (FRI), along with another eight officers, went to the area first with the intention of negotiating a peaceful eviction.

Meanwhile, the FRI battalion stopped 2 km from the farm, located in a barely accessible mountainous area.

"Even though Soto had his hands up and had told them he was there to talk, he was attacked by a peasant wielding a machete. The peasant cut off three fingers of Soto's left hand, and when Soto had already collapsed, he dealt him additional blows in the nape and the head," Mendoza said.

Soto and another officer who was accompanying him, Gerardo Alvarado, who sustained serious wounds, were held for over an hour by the peasants to prevent the officers from entering the farm, he added.

Following the mediation of officials of the Office of the Human Rights Ombudsman and the UN Mission for Guatemala (Minugua), the two officers were released and taken to a nearby hospital, where Soto died.

Alvarado and the other seven policemen who were attacked remain in serious condition at the hospital in San Marcos, the minister said, "strongly" condemning the incident, which he described as "a massacre." [passage omitted]

Honduras

Honduras: Armed Forces Chief Rejects Possibility of Coup

PA1704170196 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 16 Apr 96

[From the "This Very Day" newscast]

[FBIS Translated Text] General Mario Raul Hung Pacheco, chief of the Honduran Armed Forces, today spoke to reporters with regard to a statement by a businessman that if the present economic and social situation continues, then any of the following may take place: Anarchy, a Fujimori-style coup, or a coup d'etat.

[Begin recording] [Hung] There is no possibility of a coup d'etat involving the Armed Forces. The Armed Forces observe the Constitution, we support democracy and the democratic process. Therefore, I reject any such allegation. With regard to the possibility of other situations of anarchy, we Hondurans are responsible for preventing this from happening. We have to fight for the unity of society and seek the well-being of all Hondurans. However, we cannot be thinking that anarchy is coming and that therefore, we should do nothing. I think all Hondurans have the duty to prevent it.

[Unidentified reporter] What are the Armed Forces doing to prevent anarchy?

[Hung] Well, what is specifically up to us. As you know, the Armed Forces are not the only ones that have to resolve the people's hunger or provide jobs. You must remember that as Armed Forces, we also have many limitations. The legal situation that exists in our country has made us adapt to a new system. For example, half of the Public Security Force officers are being sued because they have fulfilled legal actions. When an eviction order is carried out, the same judge who issued the order then files the legal action against the officers. Each time we do something, we must strictly abide by the law to prevent subsequent problems.

[Reporter] Will unemployment and hunger lead to anarchy?

[Hung] I hope anarchy or an unmanageable situation does not erupt. The present situation is very difficult;

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it was not prompted by the present government. It is the result of our own Honduran culture, which portrays us as consumers instead of producers. We have to learn that we need to work and stop taking things for granted. Our children and many people, for example, do not wear shirts if they are not Lacoste or if they are manufactured in Honduras. We should eliminate that way of thinking. We have to export more than what we import. [end recording]

Panama

Panama: ACN President Says U.S. Could Bill Government

PA1804020696 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Apr 96 p A2

[Report by A. Sanchez Belisle]

[FBIS Translated Text] Carlos Arellano Lennox, president of the Civic National Alliance Party (ACN) being organized, said yesterday the United States could "issue a bill" to Panama for the improvements it has made to the military bases since the signing of the "Torrijos-Carter" treaties.

"Our people should know that the United States managed to include in the treaties what is known as the residual value [valor residual] of the installations when they are turned over to Panama, Arellano Lennox said at the beginning of the registration process of this new political organization. [no closing quotation mark as published]

Arellano Lennox, who was president of the Legislative Committee for Canal Affairs during the past administration, said: "They (the United States) could charge us, saying: You owe us so much for improvements made to the military bases."

"If we agree to let them stay, they will say: We do not have to pay you one single penny, because you (the Panamanians) owe us money," Arellano Lennox said.

"If they (the United States) forget about the residual value, which, unfortunately, Panamanians who negotiated the treaties accepted, then we could sit down to talk," he said.

Regarding the registration of the ACN, Arellano Lennox said the Electoral Tribunal has already authorized the process to legally register the party.

He added that the new party will be based on a social Christian doctrine and that it will not necessarily be an opposition party.

"In that regard, we have developed a program by which we will oppose whatever we believe is wrong, and we will support those things we believe are good for the country," he said.

He announced that Reyes Peralta de Almenda is the ACN vice president and Herinel Trejos is secretary general.

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Argentina

Argentina: Governor Defends Convertibility Plan in U.S.

PY1704181996 Buenos Aires LA NACION in Spanish 16 Apr 96 p 5

[Article by Jorge Elias, LA NACION correspondent in Atlanta, Georgia]

[FBIS Translated Excerpt] In a move to impart an economic rather than a political dimension to his visit to the United States, Buenos Aires Province Governor Duhalde pointed out on 15 April: "The [convertibility] plan must be deepened and stabilized by emphasizing on social issues."

This does not mean Duhalde has abandoned the 1999 presidential race. He said: "Speculation does not bother me, but the main objective of this trip is to enhance trade relations and especially to find companies interested in the privatization of the Buenos Aires Electric Utility Company."

Duhalde then traveled to Washington, where he will remain until 17 April. He will then fly to New York for two days. His remarkably full schedule includes meeting with U.S. Vice President Al Gore, Republican Senator Bob Dole — President Bill Clinton's main opponent in the November presidential elections — [businessman] George Soros, [former Federal Reserve Chairman] Paul Volker, and heads of the IMF, the World Bank, the Inter-American Development Bank, and the OAS.

The governor signed a cooperation agreement with Georgia Governor Zell Miller on 15 April and met with former President Jimmy Carter and Labor Secretary Robert Reich. [passage omitted]

Duhalde reported: "I discussed with Reich the problems arising from industrial retraining and retooling, and the difference between the unemployed in industrial countries and in Latin America — where, comparing the two, the latter are considered pariahs."

The governor attended a luncheon hosted in his honor by Coca-Cola Chairman Roberto Goizueta and Deputy Chairman Weldon Johnson, who is in charge of the Latin American division of Coca-Cola — a company born and bred in Atlanta.

Duhalde said: "We are relentlessly pursuing our reform program. The [convertibility] plan has proved resilient following the slump caused by the tequila effect."

He added: "It is my duty to convince Americans that they must continue to invest in Argentina, if possible, in my province." [passage omitted]

Argentina: Cavallo Says Jobs Goal of Economic Plan Not Met

PY1704221296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1139 GMT 17 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 17 Apr (NA) — [Economy] Minister Domingo Cavallo has conceded that the economic plan has so far been "unable" to create the 300,000 new jobs promised in the five-year plan. The minister forecast that only as of next year will it be possible to meet that objective.

The head of the Economy Ministry blamed the "tequila effect" for this complication, and deemed that only next year will it be possible to fulfill President Carlos Menem's promises set forth in the aforementioned plan some months prior to his reelection.

Cavallo said: "We hope that around next year, the economy will be able to create those new jobs," thus acknowledging, in a way, that it will be impossible to overcome the difficulties confronting the Argentine productive apparatus.

The minister dared not predict the result of the next measurement of the unemployment rate, which will be released in June, when the results of the permanent survey of households are available.

During a news conference he called at the Hindu Club in [the Buenos Aires Province borough of] Don Torcuato yesterday at the conclusion of the two-day "spiritual retreat" he made together with his economic team, Cavallo explained that in order to come to grips with the fiscal deficit, the Economy Ministry will devote all its efforts to increase revenues from the wealth tax (personal property).

Toward that goal, the Economy Ministry intends to sift through the General Directorate of Taxation's [DGI] "computer records with a fine-tooth comb" to exactly determine taxpayers' personal property.

The economy minister pointed out: "We hope to double or triple receipts from the wealth tax." Cavallo explained: To that effect, the DGI will step up operations at country clubs, yacht clubs, and summer and winter resorts.

Boosting tax collection is central to the economic team policy so as to be able to meet IMF targets, which authorize a $2.5 billion fiscal deficit for 1996. [passage omitted]

Economy Minister Domingo Cavallo announced that the government is assessing a package of measures to supply financial assistance to the provinces and breathe

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new life into the production apparatuses of regional economies. [passage omitted]

The minister noted that the prospective shared federal tax system was not discussed at the "retreat." He said this issue would be coordinated by Chief of Cabinet Jorge Rodriguez, who participated in the last hour of the economic team's "spiritual retreat."

Cavallo indicated that the Economy Ministry has been reviewing new methods to cope with the provincial fiscal status and "has a proposal for submission to the cabinet."

Cavallo refused to elaborate on the measures, emphasizing that "the cabinet has to review them and President Carlos Menem, who will make the appropriate announcements, has to decide on them."

Asked if the measures include the supply of financial assistance to the provinces by multilateral credit organizations, Cavallo said the Economy Ministry "has already interceded and will continue to intercede" for [provincial] districts to secure funds abroad. [passage omitted]

Argentina: Di Tella, UN Official Review Falklands Issue

PY1804032196 Buenos Aires TELAM in Spanish 1841 GMT 17 Apr 96

[Report by unidentified correspondent]

[FBIS Translated Text] United Nations, 17 Apr (TELAM-SNI) — Foreign Minister Guido Di Tella today described as very useful and positive the meeting held with Juan Somavia, UN Security Council president. Di Tella explained to Somavia the South Atlantic situation involving the United Kingdom.

During his meeting with Somavia, Di Tella placed special emphasis on "explaining to the ambassador the developments involving the Malvinas Islands and the South Georgia Island."

The Argentine foreign minister told TELAM that he used the opportunity to supply a "detailed report" to Somavia on an incident involving an Argentine trawler that was temporarily detained at the Georgia Island.

Within this context, Di Tella recounted that, during the meeting with his British counterpart, Malcolm Rifkind, in Puerto Iguazu on 13 April, the South Atlantic issue was reviewed and "clarified."

Di Tella emphasized: "At this moment, the situation is not tense." He warned, however, that "incidents such as this one require full time [preceding two words in English] attention and talks."

The possibility of Somavia, who is also a UN Decolonization Committee member, presenting a new resolution — at a session that the United Nations will hold within two months — to solicit the commencement of talks for "resolving the sovereignty dispute" in the South Atlantic has not been ruled out.

At the end of his meeting with Somavia, Di Tella went to the Argentine permanent mission office, where he met Emilio Cardenas, Argentine representative to the United Nations.

Later, the Argentine foreign minister also met UN Secretary General Butrus Butrus-Ghali. Di Tella also explained the Malvinas Islands issue to Butrus-Ghali.

Di Tella, Ambassador Cardenas, and nearly half of the UN Decolonization Committee members participated in a luncheon.

Argentina: Plan for Military Drills With Brazil Announced

PY1804013396 Buenos Aires TELAM in Spanish 1845 GMT 17 Apr 96

[FBIS Translated Text] Buenos Aires, 17 Apr (TELAM) — Defense Minister Oscar Camilion announced today the promotion of joint military drills with Brazil and the enhancement of the bilateral cooperation with that country for upgrading the peaceful use of nuclear energy.

Camilion emphasized: "The strong ties existing between the Armed Forces of the two nations will permit the promotion of joint military drills. These drills will begin in September."

Speaking at the Defense Ministry, the defense minister emphasized the outstanding performance of commanders and officers of one country in military units of the other country, within the framework of UN peacekeeping operations.

The defense minister also emphasized the "success" achieved by the joint drills carried out in the South Atlantic by the navies and naval aviation units of the two nations.

Camilion reported: "We have agreed with Brazil to establish a Joint Working Group that will be called by the two Foreign Ministries. This Joint Working Group will make recommendations, as soon as possible, on ways of further enhancing Argentine-Brazilian cooperation on defense and security issues."

Camilion also confirmed the decision of "enhancing" bilateral cooperation, with the goal of developing new forms of upgrading the peaceful use of nuclear energy.

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In this regard, Camilion pointed out: "A 120-day period has been established for the two sides to indicate priority areas and specific cooperation projects."

The defense minister also indicated that the commitments entered into by the two countries, through joint declarations on Peaceful Nuclear Policy [Politica Nuclear de Paz], "reflect a long-standing record of excellent agreements on nuclear issues." "Therefore, a decision was made to further enhance this cooperation," he said.

Argentina: Party Elects Buenos Aires City Candidates

PY1704035796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0236 GMT 15 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 14 Apr (NA) — Jorge Dominguez today was elected candidate for mayor of Buenos Aires City for the Justicialist Party [PJ], having won by an ample margin in the party's internal elections. Carlos Ruckauf was elected the first candidate on the list for the Statutory Convention [which will draft the statutes and by-laws of Buenos Aires City, which has always been under the rule of the Federal Government], while Eduardo Vaca was elected president of the metropolitan PJ of Buenos Aires City.

Dominguez was consolidating his position tonight with 60.66 percent of the votes, followed by Jose Pradelli (13.30 percent), Juan Carlos Dante Gullo (9.28 percent), and Luis Duran (3.91 percent), with 65.39 percent of the votes having been counted from 757 polling stations that were authorized for the open internal elections held by the PJ of the Federal Capital.

Ruckauf obtained 56.91 percent of the votes, thus heading the list for the Statutory Convention, and was followed by Julian Licastro (18.58 percent) and Susana Torres (7.47 percent). Meanwhile, Manuel Pico was well ahead in the voting for aldermen (58.08 percent).

Regarding the voting for party authorities, Vaca, with 55.29 percent of the votes, was clearly ahead of Pradelli, who was supported by Senator Eduardo Menem. Pradelli had 20 percent of the votes.

Three hours after the polling stations had closed, Dominguez gave a news conference at the seat of his campaign headquarters together with Ana Kessler, and he stressed that the list he is heading had obtained "an ample advantage" of votes, allowing him to obtain "the majority and the minority in all sectors."

Dominguez also called "on all sectors" of the PJ to "work for a victory in the 30 June elections for mayor of Buenos Aires and thus reverse the unfavorable results of the polls." [passage omitted]

The open internal PJ elections to elect candidates for mayor, for the Statutory Convention, and for aldermen were carried out today with very few inconveniences despite the fact that there were some charges of irregularities regarding the distribution of the voting tickets and the delay in the opening of some polling stations.

According to the main candidates, the rainy day did not stop voters from turning out to cast their ballots. The members of the PJ also elected authorities of the PJ of the Federal Capital.

At the end of the election, Francisco Paz, the intervenor of the Electoral Court of the district, refused to give figures on the percentage of voters, although unofficially Senator Eduado Vaca estimated that 50,000 PJ members and 7,500 independents had turned out to vote. [passage omitted]

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 0237 GMT on 15 April reports: "National Senator Eduardo Vaca today became the new president of the metropolitan JP and Claudia Bello, public functions secretary, will be his second in command.

"The following is the list of the main authorities of the future metropolitan council. They will be installed as soon as all the votes have been counted.

President	Eduardo Vaca
Vice president	Claudia Bello
Metropolitan counselors	Miguel Angel Segovia
—	Miguel Angel Garcia Moreno
—	Daniel Pena
—	Vicente Brusca
—	Carlos Peirano
—	Oscar Gomez
—	Cesar Torres
—	Raul Roa
—	Rodolfo Daher
—	Julio Bragarnik
Vice president in charge of the women's sector:	Ana Suppa
Vice president in charge of the professionals' sector:	Daniel Alumni
Vice president in charge of the youth sector:	Gabriel Filippi."]

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Bolivia

Bolivia: Teachers Arrested During Demonstrations

PY1704132996 Buenos Aires TELAM in Spanish 2223 GMT 16 Apr 96

[FBIS Translated Excerpt] La Paz, 16 Apr (TELAM-SNI) — During the second day of labor union protests, police in civilian clothes today arrested six people during a demonstration by teachers on the outskirts of this city.

Union leader Vilma Plata said the teachers of La Paz want better salaries and reject the privatization of the Bolivian Government Oil Deposits (YPFB) state enterprise.

The union confirmed that six public school teachers were arrested during confrontations in the populous district of Cementerio and La Portada. Union leader Jose Luis Alvarez is being held incommunicado at a police cell.

The police reported that three agents who were trying to repress the teachers were injured during incidents when teachers attacked them with stones and dynamite sticks launched by catapult.

Union leaders denounced that while preparing the demonstration in the district of La Portada, a public transport bus arrived and some men got down. They were presumably policemen dressed as civilians. They arrested three workers and launched tear gas canisters to disperse the group.

The Bolivian Government warned that it will not allow any street protests in any city in the country, especially in Cochabamba which up to today was the seat of the 6th Institutionalized Meeting of Rio Group-EU Foreign Ministers. [passage omitted]

Bolivia: Police Teargas La Paz Teachers, Detain Leader

PY1804012796 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 17 Apr 96

[FBIS Translated Text] Special Security Group police violently repressed about 100 La Paz urban teachers who were holding a hunger strike at Venezuela Square.

Gonzalo Soruco, a La Paz Department teachers' union leader, was detained during the police repression of the teachers, who, without blocking traffic, had installed themselves at the downtown square.

At 1145 today, the La Paz urban teachers announced that they would hold a hunger strike at the public square. They also announced that the hunger strike would be held until 1800 today.

After the journalists left the area at 1300 today, the police stormed the group of about 100 teachers, dispersing them with tear gas.

Bolivia: Accord Reached Between Government, Oil Workers

PY1704235796 La Paz LA RAZON in Spanish 7 Apr 96 p A12

[FBIS Translated Text] The following is the text of the document — called Memory Aid, Progress of the COB-FSTPB-Government [Bolivian Labor Federation-Trade Union Federation of Bolivian Oil Workers-Government] Commission, Technical Aspects — that was signed last night by four government officials and 13 oil worker leaders from around the country:

We have finished this stage of technical dialogue with the following progress:

1. The state, through the public company YPFB [Bolivian Government Oil Deposits], will exercise the right and direct inalienable and perpetual dominion over oil deposits throughout the entire national territory.

2. YPFB will be empowered to carry out the exploration, exploitation, and consequent commercialization of hydrocarbons derived from the previous activities through shared risk contracts with third parties for a limited period of time.

3. YPFB will be in charge of the technical supervision of all activities involving oil exploration and production throughout the entire national territory.

4. The construction of a gas pipeline and the export of gas to Brazil, as well as the improvement and extension of the internal pipeline network, are a national priority.

5. The country needs an important flow of investments for productive activities and the transport of hydrocarbons.

6. The income of the National Treasury derived from taxes, royalties, and transfers applied to hydrocarbons will be preserved.

7. The following activities will remain in YPFB hands:

(A) The three refineries (Palmasola, Valle Hermoso, and Carlos Montenegro) and the following multiple use pipelines:

1. Cochabamba-Oruro-La Paz;

2. Cochabamba-Puerto Fillarroel;

3. Santa Cruz-Camiri-Sucre-Potosi;

4. Villamontes-Tarija.

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The use of all other pipelines by the refineries will be guaranteed under the principle of free access. Similarly, refineries will guarantee the use of their pipelines by third parties, under the principle of "free access." In both cases, this will be done following the payment of transport tariffs regulated by SIRESE (Sectoral Regulation System).

(B) The wholesale trading of oil and other by-products, including the following YPFB installations throughout the country:

1. Storage plants;

2. Gas bottle plants;

3. Commercial zones.

(C) The following oil services, including their corresponding technical and administrative support units:

1. Drilling;

2. Oil technology center;

3. Civil engineering;

4. Seismic department;

5. Air service;

6. Central administration.

8. The government, through the Capitalization Ministry, will make sure that the YPFB drilling and seismic departments sign contracts, under competitive conditions, with the new exploration and production companies that might be created for drilling and seismic prospecting purposes.

9. The YPFB executive president will be elected from a list of three candidates proposed by the Chamber of Deputies and submitted to the president of the Republic. His mandate will last six years.

In the case of the appointment of a YPFB acting president, he will not remain in office more than 90 days.

The signatures:

The document was signed by the following four government officials: Economic Development Minister Jaime Villalobos, YPFB President Arturo Castanos, Capitalization Secretary Edgar Saravia, and National Deputy Miguel Urioste (MBL [Free Bolivia Movement] acting president).

The 13 oil worker leaders who signed the document are: FSTPB Executive Secretary David Coulthard, FSTPB Secretary General Juan Pardo, Santa Cruz union leader Andres Vargas, La Paz union leader Federico Jimenez, Cochabamba union leader Jose Mariscal, Production union leader Francisco Grimaldez, Orient union leader Julio Arce, Sucre union leader Gunnar Camacho, Tarija union leader Juan Carlos Sagredo, Yacuiva union leader Humberto Pacheco, Villamontes union leader Miguel Tejerina, Yabog union leader Jose Roca, and Camiri union leader Erwin Ansaldo.

Brazil

Brazil: Armed Forces To Join Drug Enforcement Effort

PY1804011096 Rio de Janeiro O GLOBO in Portuguese 17 Apr 96 p 5

[FBIS Translated Text] Brasilia — Speaking to 25 newly promoted generals, who were accompanied by the military ministers, President Fernando Henrique Cardoso on 16 April said that drug trafficking has posed a new serious threat to national security, and that it should be fought by the Armed Forces. The president said the Armed Forces, which today enjoy a good reputation in the eyes of society, will be responsible, together with the Federal Police, for implementation of the National Drug Enforcement Plan designed by Justice Minister Nelson Jobim. The plan provides for joint Armed Forces-Federal Police operations in border areas and in marijuana farmlands and coca refining zones, in northeastern Brazil and in the Amazon region.

The Constitution does not list drug enforcement as an Armed Forces' mission. According to the Constitution, the Armed Forces' duty is to defend the fatherland, national security, the branches of government, and — at the request of the latter — law and order. Under normal conditions, public security is preserved by the Federal Police and by the civil and military police. The government fears that the agreements signed by the U.S. Armed Forces with neighboring countries like Colombia, Venezuela, Peru, and Bolivia could push traffickers from those countries to Brazil. The plan, which will be released on 19 April, provides even for the downing by Air Force fighters of planes invading Brazilian airspace and carrying arms and drugs. Also, pictures of the 10 most eagerly wanted traffickers in Brazil will be placed at ports and airports and even disseminated via Internet.

Cardoso said that new threats to the social structure have appeared in the area of security and national defense, and that this is why he wants the help of the military. The president made it clear that the Armed Forces should use as much firepower as needed.

He said: "It is necessary to be ready to provide logistic support to the police organs that investigate and fight international crime, and to operate with the necessary

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firepower whenever justified by the identified targets. Those new threats call for new action, which will eventually be undertaken by our Armed Forces."

President Cardoso noted that polls ordered by Planalto Palace have revealed that the Army, Navy, and the Air Force, along with the Catholic Church and the Presidency, enjoy high popularity ratings. He said that this good image permits the Armed Forces to participate in actions in other areas. Cardoso also praised the military's technological capacity despite budget difficulties.

Before the meeting at Planalto Palace, the generals — who were promoted on 31 March — attended a reception honoring them at the Army General Headquarters. In his order of the day, General Delio de Assis Monteiro, chief of the Army Staff Command, sent a message to the government. The general said that in the recent past no priority has been attached to the design of a strategic policy for the Armed Forces, because of the small Brazilian presence in the international arena. He made it clear, however, that not even the current administration has given appropriate consideration to national defense policy.

The general made the criticism that "as an almost immediate consequence, analysts and those expressing thoughts on the subject — some of them inexperienced — have put forth their ideas and suggestions for a national defense policy, along with their proposals for reformulation and reorganization of the Brazilian Armed Forces."

Army officers noted that the national defense project is being coordinated by the Strategic Affairs Secretariat of the Presidency. At the reception at the Army General Headquarters, Army Minister General Zenildo de Lucena said he did not see any message in the speech by Assis Monteiro. The latter remarked that in his speech he said everything that had to be said, and that he had nothing to add.

Brazil: UK's Rifkind on Bilateral Ties, Domestic Issues

PY1704183196 Rio de Janeiro O GLOBO in Portuguese 16 Apr 96 p 33

[Interview with Malcolm Rifkind, UK secretary of state for foreign and commonwealth affairs, by O GLOBO reporter in Brasilia; date not given]

[FBIS Translated Text] [O GLOBO] If Mexico is the door to the Americas, as you said in a recent visit to that country, what is the Brazilian role in the continent?

[Rifkind] There has been a tremendous change in the past few years. The old image of a Latin America full of dictatorships, death threats, and human rights violations belongs to the past. What we now see is a new situation in a continent in which Brazil assumed its role of strategic leader, a leader of democratic values, of economic reforms, and of major steps forward in world trade.

[O GLOBO] Can Brazilian-UK relations improve, particularly in the economic sector?

[Rifkind] Great Britain has reassumed its deep and traditional interest in Brazil. Today we are the third largest foreign investor in Brazil. Our investments prove our interest and our confidence in the future of this country. As members of the EU, we are an important partner for Brazilian trade through the EU, because we can facilitate the access of Brazilian products to that market and also to Eastern Europe.

[O GLOBO] Great Britain faces an unprecedented internal crisis because of mad cow disease. Does your government know how to burn an average of 15,000 head of cattle per week?

[Rifkind] We will do everything indicated by scientific evidence. We cannot address the issue from an emotional viewpoint. The solution is being implemented slowly. A long time will obviously pass before the problem is fully resolved. The economic cost of this crisis will be quite high, and I cannot evaluate it right now. Part of the cost will be paid by the other EU members, because this is how the EU operates. The most important thing for us now is to preserve public health.

[O GLOBO] The EU, however, decided to maintain the embargo on UK beef...

[Rifkind] It is a temporary problem. We disagree on this point with the EU Commission because we believe any embargo must have a scientific justification. The EU Commission has publicly said that its decision does not have the scientific justification that we demand. That is why we are sure the embargo will soon be lifted.

[O GLOBO] The opposition criticized the government of Prime Minister John Major because it did not adopt a resolute attitude toward the problem. Is the government likely to face political problems in the short-term because of the mad cow disease crisis?

[Rifkind] I do not believe there will be a political impact. The scientific tests that we ordered will show if there are any links between the mad cow disease and CJD (Creutzfeldt-Jakob) disease. The preliminary information that we supplied to Parliament and to the EU deal with this matter. Whenever there is significant uncertainty, in this case due to a lack of medical evidence, it is important for the government to answer

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all questions in a clear, unambiguous manner. This is what we are doing. I reiterate that we are addressing the issue from a scientific, not an emotional, viewpoint. I do not believe this will cause political problems.

[O GLOBO] Another crisis your country is experiencing stems from the escalation of violence in Northern Ireland. Should negotiations with the IRA continue? What impact can this problem have on the Major government?

[Rifkind] Northern Ireland warmly welcomed the cut in terrorist actions during 1995. The reactivation of attacks has no support and has been openly rejected by most of the population, both Catholic and Protestant. The people of Northern Ireland have sent a clear signal in this regard. We want to debate the subject from a diplomatic viewpoint, negotiating with those who gave up violence and who want a political solution for this problem.

[O GLOBO] Can those two crises — mad cow disease and violence in Ireland — cause the general elections in Britain to be moved up?

[Rifkind] I don't believe so. The government was elected for a five-year term that will be end in the spring (May) of 1997. I believe this timetable will be complied with. I reiterate that I don't believe those two problems will have political consequences. Our decisions are based on technical and scientific — not emotional — evidence. Sometimes there are immediate reactions to problems. Such reactions, however, do not reflect the opinion on the long-term work of a government.

Brazil: Portugal Aids Brazil in UN Security Council Bid

PY1704142596 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 16 Apr 96

[FBIS Translated Text] Portuguese Prime Minister Antonio Guterres said on 16 April that relations between Brazil and Portugal are one of his administration's priorities. He also said that no more diplomatic incidents with Brazil should take place. He reported that the Portuguese businessmen accompanying him on this visit are interested in Brazilian privatizations. He said that Portugal supports the participation of Brazil as a permanent member of the UN Security Council.

Brazil: Finance Minister on Bank Purchase, Trade Figures

PY1704162996 Rio de Janeiro Rede Globo Television in Portuguese 1030 GMT 17 Apr 96

[Interview with Finance Minister Pedro Malan in the Rede Globo studios in Brasilia, by reporters Carlos Monforte in Brasilia, Renato Machado in Rio de Janeiro, and Chico Pinheiro in Sao Paulo during the "Good Morning, Brazil" program — live]

[FBIS Translated Text] [Monforte] Finance Minister Pedro Malan cannot complain about being bored with having no problems. For instance, he has to deal with the confusion provoked by the fuel price increase, with the upward inflation trend, and with the administration's communications flaws. He is here with us today to discuss some of these issues. Minister, first, the purchase of the Economico Bank by the Excel Bank. Was it not possible to spend less money in this purchase?

[Malan] Central Bank [BC] President Gustavo Loyola will explain that issue in detail in a news conference that I hope will be held today. It will become clear that the agreement defends what we have upheld from the beginning; that is, to protect depositors, account holders, and investors and to help to strengthen the liquidity, solvency, and health of our financial system. It was a good deal for the country.

[Monforte] Will Loyola primarily clarify — thus correcting a flaw in the administration's communications system — if the administration supplied any money to the bank? There are still doubts about this.

[Malan] Yes. There is great confusion about what loans and guarantees mean. From now on, I hope aspects of the agreement will be clearly explained. In accordance with the terms of a provisional measure issued in 1995, we will submit a report on the subject to the Senate.

[Monforte] Incidentally, it seems the BC president is walking a tightrope. He always seems to be on the brink of falling. Reports have it that he will not last one more day, but he has said he is not leaving. Loyola says he is not leaving, but the president of the Republic noted that he could leave. What can you tell us?

[Malan] That soap opera has been going on for quite some time. I believe it is useless. It is just an enormous waste of time. The president of the Republic has already stated that Loyola will stay in his post as BC president because he enjoys his full confidence. I, as finance minister, who is his immediate supervisor, have already stated that Loyola enjoys my confidence and will stay in his post. Loyola has already stated that he is not leaving, that has not resigned.

I believe that those who, for reasons that escape me, are disseminating rumors about Loyola's imminent dismissal because he has fallen from grace are wasting their time. Loyola enjoys the confidence of his superiors and will stay in his post.

[Machado] Regarding a prediction you made some time ago about balancing the Brazilian trade balance, latest

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figures do not appear to confirm your prediction. A $400 million trade deficit has been reported in March. Why do you think this happened?

[Malan] First, the figure you mentioned is absolutely wrong. It is absolutely wrong to state that there was a deficit of more than $400 million in the March trade balance. We will be discussing the issue today, possibly at 1500, in a news conference.

Our trade balance for the January-March period has been extremely reasonable and our exports are going quite well in April. We are totally unconcerned regarding our foreign front and our trade balance. Your figure is absolutely wrong.

[Monforte] Since you will give a news conference, you might as well comment here on some topics, like fuel prices, which have been deregulated but which have increased. Fuel prices were supposed to increase on the basis of a minimum rate, but they ultimately increased at the ceiling rate. What impact could this increase have on inflation?

[Malan] This increase will have a limited impact on inflation, and will change from one index to another. For instance, for the FIPE [Economic Research Institute Foundation] index, a 10 percent increase in fuel pumps will represent a 0.47 percent in the index. The impact on other indexes will be much smaller; from 0.2 to 0.3 percent. All these increases will be absorbed in April.

We believe the main point about all this is that the administration is decisively moving toward deregulation the fuel sector, which for more than 50 years had been protected and influenced by the government. We will move toward deregulating the sector in the long term.

I believe consumers gain greater power and influence by forcing, as they are already doing, gasoline pump prices down through competition.

[Monforte] Would you predict the inflation rate for April?

[Malan] The accrued inflation during the first three months of 1996 — that is, an average of the main inflation indexes — stands at well below 3 percent. During the first four months of 1996, the average of the main indexes is expected to stand at about 3.5 percent. This would project an annual inflation rate of a little more than 12 percent, which I regard as excellent.

[Pinheiro] Minister, we know that in August 1995 the BC studied ways of maintaining a level of excellence of its personnel. To what extend does the salary factor influence the task of maintaining this level compared to those of the private sector. We are aware that a small mistake by a BC official could provoke billion-dollar losses for the country. To what extent does it make sense to freeze the salaries of BC personnel.

[Malan] I believe it makes no sense to freeze BC salaries because it is paramount to understand a highly significant factor: The people legitimately demand that the BC show effectiveness and efficiency in monitoring and regulating the financial system. It is very important to understand what is happening today: For some time the BC has been losing a large number of personnel, whether through retirement of older personnel or disappointment over hasty charges made against the BC. Thus, the BC is facing enormous difficulties in retaining its personnel or attracting younger people to man the BC in the future. Hence, this problem must be addressed within the framework of a restructuring of the BC, which is under way and which must be continued.

No country in the world can have a sound financial system without an effective, competent central bank.

[Machado] Minister, going back to the inflation issue, it seems agriculture prices will soon no longer be instrumental in keeping inflation down and the constitutional reforms are still encountering many problems in Congress. Would you still maintain your prediction that inflation will stand at 12 percent this year?

[Malan] Let me make one thing clear, I usually do not make predictions. I just said that the accrued inflation during the first four months of 1996 will stand at 3.5 or 3.6 percent, based on an average of the four major inflation indexes. These figures are practically confirmed. I said that if, if, [repeats himself] the average monthly inflation rate for the remaining eight months of 1996 remains the same, we could have an annual inflation rate of between 12 and 13 percent. This is not a prediction by the finance minister. I am not used to doing that. It was just an exercise. We have stated that the 1996 inflation rate will definitely be much lower than that of 1995; and that we are working to make the 1997 inflation rate lower than that of 1996, and that of 1998 lower than that of 1997.

[Monforte] It has been repeatedly claimed that the administration only addresses the inflation issue but fails to address social problems. How would you respond to this criticism?

[Malan] I believe it is absolutely mistaken. We stated from the outset that we will not waver in our objective of bringing inflation rates down steadily but gradually. This in no way is an objective by itself and it is not the only objective of the administration.

Two mistakes are frequently made: One, to believe that the battle has already been won. The battle has not been won yet. I have just mentioned the reforms,

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especially those affecting the public sector, which must be continued. It is a mistake to believe that we can overlook this problem and pursue other objectives, which we do have. Yet, our primary objective is to keep the declining inflation trend to ensure conditions for a sustained economic growth in the long term and not an unsupported economic boom that will fuel inflation and offset the trade balance.

We want to invest more effectively in the social area, especially in basic education and health. We are now creating conditions to do that. We also want to solidify our democratic institutions and reform our institutional system. We are seeking these objectives simultaneously.

It is a mistake to believe, in some cases for political reasons, that the administration is only concerned about inflation. It is not true.

[Monforte] Minister, thank you very much for joining us on the "Good Morning, Brazil" program.

[Malan] You are welcome. I was pleased to be here.

Brazil: Commerce Minister on Real Plan, Economic Growth

PY1804012296 Rio de Janeiro O GLOBO in Portuguese 14 Apr 96 p 49

[Report by Silvia Faria on "exclusive" interview with Dorothea Werneck, minister of industry, commerce, and tourism; place and date not given]

[FBIS Translated Text] Brasilia — In an exclusive interview to O GLOBO, Dorothea Werneck — minister of industry, commmerce, and tourism — has announced the news that all Brazilians have been yearning to hear: The high level of investments made in 1994 in order to increase domestic production will ensure an economic growth of 5 to 7 percent, beginning next year. According to the minister, this growth does not harm the Real Plan because it will not be simply a result of increased consumption. It will expand the production of goods and services, with express help from foreign capital.

"With the exceptional investments made in 1994, we have the required conditions to grow from 6 to 7 percent in 1997 and 1998," the minister said.

Werneck's optimism is not shaken by negative projections about public accounts. In her opinion, everything concerning the Real Plan is proceeding well. The connection between the public deficit and the real economy is expressed in the high interest rates, which, although declining, are making the cost of investment in Brazil too high. Minister Werneck argues, however, that in several areas there has been direct investment of foreign capital; in others, foreign capital has been used in association with national capital within Brazilian enterprises. There have also been cases in which the money was raised abroad.

She added: "No enterprise in our present world fails to concentrate on two markets — the domestic and the foreign."

According to Minister Werneck, the reorganization of Brazilian industries has been profoundly changing the profile of the national factories. There are areas — such as electro-electronic products, home appliances, food, and durable goods — that are now in condition to compete with counterparts abroad. There are also areas, however, that did not believe in the opening of the national economy and were left behind in the conquest of productivity, as has occurred in the case of textiles, shoes, and car parts. In the latter's case, most of the enterprises are now establishing partnerships with foreign enterprises and 30 percent of them will probably disappear for lack of competitiveness.

Werneck said: "The great expansion of the Brazilian automotive area is demanding a swift response from car parts manufacturers."

According to the minister, the alternative for the shoemaking and textile industries is to produce more sophisticated and expensive products. In the area of cheaper products, Brazil has no conditions to compete with the Asian manufactureres. Consequently, the Brazilian consumers who have a lower income will buy imported products, which are cheaper.

She added, however: "In the case of fabrics and ready-made clothing, we also have the two extremes: On the one hand, some ready-made clothing industries are suffering the effects of a dishonest and unfair international competition, and this is why we are working on mechanisms to defend our industries from this type of competition. On the other hand, monumental investments are being made in Brazil. The Coteminas group will produce T-shirts for 0.60 reals [R] and Polo shirts for R2, at in-plant prices. These prices can compete with those of the Asian countries, and have only become possible thanks to heavy investment in technology."

In the process of resuming growth, Brazilian industries are undergoing what we can call a relocation process. Several industries are installing their facilities in Minas Gerais State because they need more space, while others are choosing the northeast region, where salaries are lower. The minister believes that unemployment registered in traditional industrial areas is being compensated with new jobs in new regions. She thinks, however, that unemployed people will only be totally reabsorbed if economic growth truly resumes.

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"The proportion in which they will be reabsorbed depends on the area where they work. In most cases, a new factory has advanced technology, uses capital more intensively, and is sometimes robotized. If production increases, however, there will be more jobs than previously. By becoming competitive, national industries can maintain the production level as regards domestic sales and, moreover, conquer foreign markets," the minister said.

Proalcohol Program Gives Priority to Producing Alcohol To Be Mixed Into Gasoline

Since the federal administration decided to readjust fuel price a few days ago, Minister Werneck has been facing, and resisting, a great deal of pressure. Some have wanted her to give an extra stimulus to the Proalcohol Program, others have been speculating in the political area and maintaining as certain her replacement at the head of the Industry, Commerce, and Tourism Ministry.

Regarding the Proalcohol Program, Minister Werneck says that the administration's priority right now is to ensure supply of hydrated alcohol for the already existing fleet and use the remaining production capacity for the production of anhydrous alcohol.

The minister explained: "There are two kinds of alcohol: The hydrated one, which is used directly in the cars that use fuel alcohol, and alcohol to be mixed with gasoline. The 4.3-million vehicle fleet that uses fuel alcohol is decreasing because fewer such vehicles are being manufactured. In addition, consumption of the other type of alcohol — the anhydrous alcohol that is mixed into gasoline — increased by 20 percent last year."

Werneck admits that it won't be possible to bet on an increase in the number of vehicles using fuel alcohol until the cost of its production is reduced. Nowadays, a barrel of fuel alcohol costs $34 and one of gasoline $53.

The minister said: "Production of hydrated alcohol will continue, in order to supply the already existing fleet, as well as the green fleet that we want to set up. By fleet, I mean taxis, car-rental companies, public service vehicles, cargo vehicles. If there is another oil crisis, we will resume fuel alcohol production. The priority now, however, is to produce more anhydrous alcohol. When the Proalcohol Program was created, the plan was to replace gasoline with fuel alcohol. The concern now is about the environment, which is not affected by fuel alcohol."

As to political pressure for her replacement at the ministry, the minister believes that it is already decreasing. In her opinion, the fact that the Industry, Commerce, and Tourism Ministry is a technical ministry makes it an easier target.

Brazil: Cardoso Denies Alleged Plan for Cabinet Reshuffle

PY1804022796 Sao Paulo AGENCIA ESTADO in Portuguese 2120 GMT 17 Apr 96

[By Tania Monteiro]

[FBIS Translated Text] Belo Oriente, 17 Apr (AE) — President Fernando Henrique Cardoso today denied that he intends to reshuffle his cabinet. "There will be no reshuffle," the president replied when asked about cabinet changes. During the ceremony to dedicate the Cenibra — Nippo-Brazilian Cellulose Inc. — plant in Belo Oriente, 230 km from Belo Horizonte, Cardoso showed that Industry and Commerce Minister Dorothea Werneck, who is a possible candidate for replacement, is still strong. The president said she is "a great minister from Minas Gerais."

At Planalto Palace, presidential advisers also tried to deny the cabinet reshuffle rumors — at least for the time being. According to some people who talked with the president, he is not thinking of making cabinet changes now. What he intends to do, the sources said, is to concentrate on the constitutional reforms, which must be expedited in order to avoid being hindered by the municipal elections.

In a fast dialogue with reporters, the president said that Congress must rapidly approve the constitutional reforms. "Congress should continue to do what it has been doing, which is to approve the reforms," Cardoso said when asked whether politicians are moving slowly for the approval of the reforms.

Cardoso praised the political performance of Minas Gerais Governor Eduardo Azeredo (PSDB) [Brazilian Social Democracy Party] and of Cenibra President Luiz Otavio Ziza Valadares.

Brazil: Congressional Block Opposing Reelection Viewed

PY1804034896 Rio de Janeiro O GLOBO in Portuguese 17 Apr 96 p 2

[From the "Political Panorama" column by Tereza Cruvinel: "The Opposing Block"]

[FBIS Translated Text] There has been balking with regard to the reelection amendment, and moves in its favor have resulted in an anti-reelection block: the alliance that is being created among Senator Jose Sarney, former President Itamar Franco, former Finance Minister Ciro Gomes, and members of the opposition. Franco

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is the magnet. He met Gomes on 15 April, is having lunch with Sarney today, and will meet Jose Dirceu, president of the Workers Party. [Leonel] Brizola, [Luis Inacio] Lula [da Silva], and Joao Amazonas will be in Brasilia and may also meet him.

Some people believe that what is being formed is more than a front to prevent President Fernando Henrique Cardoso from disputing his own succession, which would be a center-left alternative for the center-right coalition between the Liberal Front Party and the Brazilian Social Democracy Party [PSDB], a project to attain power for 1998 that could become a reality around Franco's candidacy. Sarney's friends are saying that although appearances seem to indicate the opposite, Sarney does not want to run for the presidency. All he wants to do is to influence the elections. Ciro Gomes knows that he has already lost the aura that distinguishes founders, like himself, from the newest members of the PSDB. He will not have chances in the PSDB.

Franco and Gomes are building a commmon discourse: That Franco was the real father of the Real Plan, that Cardoso even hesitated in becoming a presidential candidate and in putting the new currency into circulation four months before the elections, and that Gomes — as the last finance minister during Franco's administration — was the one who made the plan function, thus making it feasible for Cardoso to win the elections. The PSDB members don't even remember the role the two played. This is what hurts them. In the dispute for the paternity of the plan, truth and lie will not remain on one single side.

An alliance among Franco, Sarney, and Gomes — including for the presidential succession — is understandable, possible, and feasible. What one cannot imagine is seeing them on the same raised platform in 1998, side by side with Lula, Brizola, Joao Amazonas, and Arraes. In addition, Franco has already told friends that he could become a presidential candidate, but not against Cardoso, if the reelection amendment is approved. Who would risk doing that?

The block of those who oppose will probably not be an alternative for power, but it proves that the reelection debate has precipitated the dispute for the succession. As a result of the bloc, the political difficulties of the federal administration could increase. And the reforms will pay the piper.

Brazil: Spokesman Says Nation To Expedite Privatization

PY1804003796 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Apr 96 Section 1 p 11

[FBIS Translated Text] Presidential spokesman Sergio Amaral said on 15 April that the government "is striving" to expedite privatizations, and to "reduce" the domestic debt with privatization revenues.

According to Amaral, this will not affect the "cautiousness" that the government has adopted in order to make privatization a "successful" program. "Since privatization is moving at its own pace, independently of the debt, the process will make it possible for the government to reduce the debt," he added.

On 14 April, FOLHA reported that the steep growth of the domestic debt will neutralize the efects of the privatization program. Since October 1991, the program yielded approximately 13 billion reals.

Over the same period, the domestic debt growth surpassed privatization revenues by 777.93 percent.

Amaral said that the government is giving the final touches to the mechanism for control of privatized services. "A new regulatory framework must be built," Amaral said.

According to Amaral, the government has already adopted other measures to reduce the debt, like the reduction of interest rates and the discouragement of the entry "of some types of capital that are not a priority for the country."

Brazil: Funai Head Reports on Land Contestation Cases

PY1804112796 Sao Paulo AGENCIA ESTADO in Portuguese 0008 GMT 16 Apr 96

[FBIS Translated Text] Brasilia, 16 Apr (AE) — Julio Gaiger, president of the National Indian Foundation [Funai], reported today that only 10 percent of the 555 indigenous areas countrywide have been contested on basis of Decree 1775, which introduced adversary proceedings in the process of indigenous land demarcation. The deadline to present the contestations ended on 8 March, and the federal administration has until 8 June to respond to the 536 lawsuits questioning the legality of 56 areas. A team of 15 experts, including anthropologists and lawyers, will defend the federal administration's rights.

According to Gaiger, of the 56 contested areas, 41 request alterations regarding the limits of the demarcated lands, and involve a total of 354 lawsuits. Most of the requests refer to land in the states of Para and Roraima.

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Five other requests refer to requests for compensation. The state of Sao Paulo, for example, requests compensation from the federal administration for a 4,398-hectare area of the Guarani Indians of the HPU [expansion unknown] in Monguagua, on the coast. According to the Sao Paulo government, the place has been earmarked for environmental preservation and is, therefore, a public area.

Five of the contestations presented will not be taken into consideration. The last five of the 56 contestations received by the Funai request recognition of rights over indigenous areas. Rio de Janeiro State wants recognition of its rights over the 138-hectare area that belongs to a Guarani tribe in Parati-Mirim, in Paraty.

At least 22 requests, involving 145 lawsuits, are not covered by the decree because they are already registered areas and are considered a perfectly legal act. The Funai president asserted that all the lawsuits will be answered by the administration in time: "There is great similarity among the lawsuits. It is possible to grant the same legal treatment to several of them." Gaiger gave as an example the 145 lawsuits filed with regard to already registered areas: "Our answer to all of them is: This land cannot be contested."

Gaiger said that Funai does not plan to give priority to the demarcation of the 160 areas that still have not been contested. Among these, 23 areas will be demarcated with financing obtained from the World Bank, through the G-7 (group of the seven wealthiest countries in the world). "Our plans are to demarcate all indigenous lands before the end of Fernando Henrique Cardoso's administration," Gaiger promised.

Brazil: Federal Government To Burden Public Deficit

PY1704113496 Sao Paulo GAZETA MERCANTIL in Portuguese 15 Apr 96 p A4

[Report by Ivanir Jose Bortot]

[FBIS Translated Text] The government could not reverse the public deficit trend in the first two months of 1996. The figures reflecting the accounts of the federal, state, and municipal governments and state enterprises are still being consolidated by the Central Bank (BC), but something has already turned out to be clear: In January and February, the nominal deficit will surpass 1 percent of the GNP.

In the first two months of 1995, the accumulated nominal deficit stood at 5.82 percent of the GNP, reaching 7.35 percent at the end of the year. Finance and Planning Ministry specialists expect that the accounts of state enterprises and state and municipal governments will significantly improve as of March, producing — at the end of the year — a deficit that will be smaller than in 1995.

Contrary to what happened last year, the federal government will be the factor that will most strongly burden the public deficit. The tax revenue drop and the growth of expenses, in the first two months of the year, produced a deficit of 3.6 billion reals [R] in National Treasury cash. The balance of the federal domestic debt rose from R108 billion on 31 December 1995 to R127.32 billion at the end of February.

The BC disbursed R5.5 billion on the interest on the public debt and on the legal bank reserves. The Social Security system, which registered a deficit of R60 million in January and February, is expected to register an annual deficit of R2.5 billion.

The R2.3-billion debt that the Treasury owes to the Banco do Brasil could further increase the federal government deficit in 1996, because the federal government's General Budget does not provide for issuance of public bonds to pay for this debt. There will be a weaker impact — only on the interest — for a total of R2.2 billion, which corresponds to the Treasury bonds issued to increase the Banco do Brasil capital.

But there is more. If the National Treasury settles the accounts of the Compensation Fund for Salary Variations (FCVS) and the Federal Savings Bank (CEF) this year, the private banks and the Oversight Board of the Severance Pay Fund (FGTS) will have to pay interest on a R15-billion debt. Today this debt does not cost the federal government anything.

The creation of a special CEF credit line has significantly reduced the cost of rescheduling the debts of state and municipal governments. The interest that states pay on Budget Revenue Addvance (ARO) operations has dropped from 8 to 9 percent annually — when the operations were handled by private banks — to approximately 3 percent in CEF operations.

In January and February, state and municipal governments took R1.4 billion from financial institutions through ARO operations. This amount is practically the same as that for 1995, but with lower interest. The fiscal adjustment programs agreed upon with the Treasury — through personnel budget cuts and sale of state-run company assets — have already begun yielding results.

An adviser to Finance Minister Pedro Malan told this newspaper that "state and municipal governments should significantly improve their accounts this year. They should register a small deficit." Last year, the nominal deficit of state and municipal governments reached 3.69 percent of the GNP.

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The recent fuel price increase has strengthened a process of restructuring of utility rates. This has also produced expectations that state-run companies will have a good fiscal performance this year. Last year, their deficit stood at 1.33 percent of the GNP.

Brazil: Petrobras 'Unaware' of Bolivian Pipeline Plan

PY1804012996 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Apr 96 Section 1 p 1

[Report by Francisco Santos]

[FBIS Translated Text] Petrobras — Brazilian Petroleum Corporation — was not aware of a Planning Ministry study that recommended putting the gas pipeline that will bring gas from Bolivia under private control, and it was surprised by the publication of the study by FOLHA.

This information was released on 15 April by Antonio Luiz Silva de Menezes, superintendent of the Executive Group for Implementation of the Bolivian Gas Project, which is a Petrobras organ.

"Petrobras did not receive any government guidance other than the one that has been implemented thus far," Menezes said.

Noting that he was unaware of the document's contents, Menezes said he thinks it must be a document for internal discussion within the Planning Ministry.

He added that a "commercial structure agreement" has already been arranged by the partners, who are now working on the gas pipeline model in order to publish the call for offers to supply the material.

The call for offers for the supply of 3,000 km of steel tubes for the gas pipeline is scheduled to be made in April.

Petrobras believes that the tubes will cost approximately $500 million.

The gas pipeline is budgeted at $1.8 billion. Menezes said that work should start at the end of 1996. Brazil is scheduled to buy 93.4 billion cubic meters of Bolivian gas in 20 years. Petrobras will own 51 percent of the capital of the enteprise operating in Brazil.

Brazil: Fiber Optic Cable to Argentina, Europe Announced

PY1704220896 Sao Paulo GAZETA MERCANTIL in Portuguese 16 Apr 96 p C6

[Report by Heloisa Magalhaes]

[FBIS Translated Text] The call for offers for installation of the Columbus II underwater fiber optic cable, which will join Brazil and Argentina to Europe, will be announced this year. Starting in Mar del Plata, the cable will go beneath the Atlantic and will join the Brazilian network in the northeastern region. The cable will then cross the ocean to the African coast in Cape Verde and Senegal, heading for Portugal, where it will be connected to European telecommunications networks.

Work on the details of the project, which Embratel [Brazilian Telecommunications Company] released last year, has begun. Last week, technicians of the countries involved in the project met in Lisbon to analyze the traffic demand. Investments worth $300 million are scheduled to be made through an international consortium. Several telephone operators have already agreed to join.

Embratel and Argentina's Telinar will each account for 18 percent of the investment. Portugal Telecom will account for approximately 10 percent of the investment, while smaller percentages will be made by Marconi, which is another Portuguese company, and by France Telecom, Deutsche Telekom, Telecom Italia, Spain's Telefonica, and Cape Verde's Telefonica.

The new cable will increase the telecommunications transmission capacity to Europe, because it will operate with the Americas I and Atlantic II cables. These two cables are connected to the Brazilian domestic cable network that goes from Rio Grande do Sul to Florianopolis and then to the Caribbean, where it has two connections, one to Florida and North America and another to Europe.

The creation of Atlantic Union has also started to take shape. This is a Brazilian-Portuguese enterprise through which the two countries will jointly operate telecommunications services. The decision to create the enterprise was made two years ago, during the Itamar Franco administration. The then Embratel President Renato Archer has even submitted a proposal to Congress. But since the Embratel initiative was not supported by the then Telebras [Brazilian Telecommunications, Inc.] President Adyr da Silva, causing displeasure to the government, the project could not take off. Last year, however, Telebras — the Brazilian telecommunications holding — became the Brazilian side in the binational enterprise. A new project was designed and the proposal was submitted a few days ago to the president of the Republic for consideration.

During Portuguese Prime Minister Antonio Guterres' visit to Brazil this week, a decision was made to announce — among the bilateral deals — the creation of the Atlantic Union enterprise and the investment in the fiber optic cable, as major projects for integration between the two countries.

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Brazil: BC Staff Wage Increase Prompts Crisis

96SM0246A Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Apr 96 p 1

[Article by Claudia Safatle: "Wage Increase of Discord" — received via Internet]

[FBIS Translated Text] **FHC [Fernando Henrique Cardoso] did not know about the pay increase at the BC [Central Bank], so he ordered it canceled.**

Brasilia—President Fernando Henrique Cardoso learned from the newspapers on Friday that employees of the Central Bank (BC) had been granted a pay increase, which he immediately ordered suspended. It was a politically inopportune and hierarchically subverted decision, and it may accelerate a change at the head of the BC.

The BC's pay increase, which has been under discussion since September of last year, was approved in a meeting by telephone among members of the National Monetary Council (CMN). There were favorable votes by Minister of Finance Pedro Malan, Minister of Planning Jose Serra, and the president of the BC, Gustavo Loyola. It was therefore a collegial decision, not one by Loyola alone.

The only thing remaining was to submit the measure to the president of the republic, who would assess the political timeliness of the increase and have the final word. But before that happened, the BC's director of administration, Carlos Eduardo Tavares de Andrade, called a press conference at 1930 hours on the 11th to announce the CMN's action.

In so doing, Andrade upset the decisionmaking process, created a crisis in which Loyola was more victim than villain, and made it clear that there was a lack of discipline in the BC's management. Under orders from the president of the republic, Loyola had to ask the CMN to suspend implementation of the measure temporarily. Now he must face the BC's entire staff, which has been waiting for a pay increase since last year.

In the estimation of Planalto Palace, the president of the BC also failed by not taking any action against the director who had announced a measure not yet approved by higher authority.

Previous attempt—In September of last year, the BC's management tried to give the employees a raise of about 30 percent. The press discovered what was up, and the proposal was shelved. The issue came up again at the CMN meeting on 28 March.

On that occasion, the proposal was included with a number of measures that were to be part of a restructuring of the institution. The idea was to grant increases of from 7.5 percent to 77.4 percent—for an average of 22 percent—and to introduce other changes such as voluntary resignations and the holding of competitive examinations for inspectors, a field which is vulnerable today because of the banking crisis.

The pay increase plus the addition of new positions would have to be offset somehow to ensure that in December 1997, the BC's payroll would be the same, in real terms, as it was last March.

Explosion—The president of the BC, who has been preoccupied for months with the Banco Economico, Excel, the Banco Nacional, "pasta rosa" [meaning unknown], and all the other problems surrounding the financial system and its political implications, exploded over the weekend when he was besieged by reporters in front of his home in Sao Paulo, and he used a few swear words. Calmer by yesterday, he announced that he was not resigning.

Even the most austere experts in the economic area agree that the BC does not pay good salaries. The salary floor of 874.00 reals is far below the minimum at the Federal Revenue Secretariat (4,200.00 reals) and that for employees of the National Treasury (2,200.00 reals). It is also no secret that the average age of the BC's employees is high today—around 45 years—and that the low salaries have been causing skilled employees to leave.

The problem is that besides the disorganized way in which the BC communicates with the public, this is not a good time for a pay increase. Public servants are threatening to go on strike today because there was no pay increase in January, nor is there any prospect of one.

Banpara [Bank of Para]—To complicate matters, Planalto Palace was surprised by the news of a BC dossier accusing Jader Barbalho (Para), leader of the PMDB [Brazilian Democratic Movement Party] in the Senate, of irregularities. Barbalho has been an important interlocutor for the administration. The dossier in question, dating from 1992 when the senator was governor of Para, reportedly says that money was transferred from the state bank to his account. That was all it took for Fernando Henrique's advisers to express more irritation with the BC and conclude that all of the institution's information is subject to leaks.

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Brazil: Planalto Denies Rumors of Loyola's Dismissal

96SM0246B Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Apr 96 p 1

[Article by Silvia Mugnatto and Oswaldo Buarim, Jr.: "Crisis at Central Bank" — received via Internet]

[FBIS Translated Text] Brasilia—The administration spent all day yesterday trying to put out the fire caused by one more crisis at the Central Bank (BC), this time in connection with the bungled announcement of a pay increase of up to 77 percent for the bank's employees. On a day of denials regarding the dismissal of the institution's president, Gustavo Loyola, the BC's employees in Brasilia, Sao Paulo, and Porto Alegre objected to the official talk. Indignant over the cancellation of their pay increase, they decided to strike until the increase is approved. In addition, they called for the dismissal of the director of administration, Carlos Eduardo Tavares, who was blamed for the confusion surrounding the announcement of the increase.

In the National Congress, even the Bahia PFL [Liberal Front Party], which has been fighting a tough battle against Loyola ever since the BC intervened in the Banco Economico in August of last year, came out in his defense. "If it were up to me, which it isn't, Loyola would stay," said Senator Antonio Carlos Magalhaes [ACM], who is being cautious because of the effect that changes in the BC's management might have on the sale of the Banco Economico to Excel and the reopening of that Bahia bank.

In a demonstration of friendliness toward the BC, ACM even asked the leader of the PMDB [Brazilian Democratic Movement Party] in the Senate, Jader Barbalho (Para), to wait until today for the BC to correct information published in the press about his involvement in irregularities at the Bank of Para. Jader is irate over the leaking of that information, which he attributes to the Central Bank.

Denials—As is customary, the spokesman for Planalto Palace, Ambassador Sergio Amaral, denied rumors of Loyola's dismissal. He also denied that the president of the BC had resigned following the administration's veto of the pay increase. "That information is unfounded. There is not even any basis for the report that he has resigned," he said. "The president has reaffirmed his confidence in the president of the BC," the spokesman added.

Sergio Amaral also denied that the administration had retreated from its decision to increase the pay of BC employees. According to him, the percentage of increase depends upon the BC's restructuring plan, which includes a program for voluntary resignations, as was the case at the Bank of Brazil. "That increase has never been formalized," Amaral said, ignoring the fact that the increase had been approved by the National Monetary Council (CMN), which consists of the ministers of finance and planning and the president of the BC.

When asked yesterday whether he was thinking of resigning his post, Loyola himself tried to answer at the conclusion of a meeting with Minister of Finance Pedro Malan by giving a flat and direct "no." He said that "everything is under control." But his departure had already been settled by Planalto Palace before the pay crisis erupted. In fact, Planalto Palace already has a profile for the future holder of that position: he will be an official in the public sector with experience in the financial market.

The government expert who perhaps best fits that profile is the president of the National Bank for Economic and Social Development (BNDES), Luiz Carlos Mendonca de Barros, but he denies that he is going to change jobs. In Congress, however, the bets are on the BC's current director of monetary policy and economic policy, Francisco Lopes, to be Loyola's successor.

The name of Chico Lopes was circulating through some offices in Brasilia yesterday as being the chief candidate. In the estimation of those consulted by Fernando Henrique, Lopes would be able to ensure unity in the BC's management and prevent more resignations.

While Loyola's astral hell was being mitigated yesterday, that of the director of administration was growing worse. Better known as "Dudu" among his colleagues at the BC, Carlos Eduardo Tavares is going to be the target of a campaign titled "Out with Dudu."

Brazil: BC Employees, Others Threaten Strike

96SM0246C Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Apr 96 p 1

[Unattributed article: "Strike Threat" — received via Internet]

[FBIS Translated Text] Brasilia—It is not just the employees of the Central Bank (BC) who are threatening to go on strike to keep the pay raise that was announced and then suspended. Federal employees are threatening to stop work for an undetermined period today to demand a pay adjustment of 46.19 percent and protest the administrative and social security reforms. The Federal Employees Union (Sindsep) estimates that 250,000 employees will support the work stoppage throughout the country.

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Besides employees of the government departments along the Esplanade of Ministers, teachers and employees of 30 universities also have joined the strike. The National Union of Tax Auditors (Unafisco) announced yesterday that employees of the Federal Revenue Secretariat would halt their activities for two days. That decision will affect the Revenue Secretariat's inspection services in the ports and airports and at the borders. Employees of the judicial branch and the Public Prosecutor's Office decided yesterday that they would also participate.

In retaliation for the strike, Acting Minister of Federal Administration Claudia Maria Costin yesterday sent agencies of the public administration a notice threatening to fire managers participating in the strike. Claudia warned that according Decree No. 1,480 as approved last year, holders of positions of trust who participate in work stoppages are subject to the loss of their jobs, in which they serve at the pleasure of their superiors. In her notice, she also warned that the days spent on strike would not be paid for, nor would they count toward retirement.

Brazil: Magalhaes Negotiates Reform Suspension

96SM0247A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 96 p 1

[Unattributed article: "Chamber of Deputies Provides Answers for Judge Who Suspended Action on Amendment" — received via Internet]

[FBIS Translated Text] Brasilia—The speaker of the Chamber of Deputies, Luis Eduardo Magalhaes (PFL [Liberal Front Party], Bahia), has decided to negotiate with the chief justice of the Federal Supreme Court (STF), Justice Sepulveda Pertence, to obtain a quick ruling by the full court on the injunction suspending action on social security reform. This Tuesday, Luis Eduardo will provide the Supreme Court with the answers requested by Justice Marco Aurelio de Mello, who granted a preliminary injunction on Friday suspending the reform in response to a writ of security filed by the opposition parties.

Luis Eduardo does not intend to appeal Mello's decision now. He has chosen to simply append to the answers being submitted a request that the justice reconsider. He also will not talk about the need for speed in obtaining a court ruling, a subject he prefers to discuss with the chief justice of the STF directly, since the latter can influence the court's agenda. The response by the Chamber of Deputies, which will be sent to the attorney-general of the republic, Geraldo Brindeiro, will go to the Supreme Court today.

The discussion on the Supreme Court will turn on the following points: Mello feels that the amendment by Deputy Michel Temer (PMDB [Brazilian Democratic Movement Party], Sao Paulo)—the one now working its way through the legislative process—is a new text and therefore cannot be voted on following the defeat of the amendment by Deputy Euler Ribeira (PMDB, Amazonas). According to the Chamber of Deputies, the similarities between the two bills are due to the fact that the source of both texts is the administration's original amendment.

Temer's amendment is signed by the leaders of the coalition parties, not by the rapporteur. Under the rules of the Chamber, Temer cannot be the author of the amendment and its rapporteur at the same time. Temer said yesterday that if the full Supreme Court rules in favor of Mello's preliminary injunction, nothing more can be done. "In that case, social security reform is over," he said. He reaffirmed yesterday that on the 21st, in response to a question by Deputy Jose Genoino (PT [Workers Party], Sao Paulo) when the amendment was being voted on, he had said that he participated actively in putting the constitutional amendment together.

But even so, according to Temer, he is not the author of the amendment for legal purposes. "I did not sign it," he stated. "The authors were the leaders of the PFL (Inocencio Oliveira, Pernambuco) and the PSDB [Brazilian Social Democracy Party] (Jose Anibal), government leader Luiz Carlos Santos (PMDB, Sao Paulo), and the deputy leader of the PMDB, Geddel Vieira Lima (Bahia), because it was they who signed the amendment." Temer said he had hopes that the full Supreme Court would quash the preliminary injunction.

Not until about 1630 hours yesterday was the Chamber of Deputies notified by the Supreme Court that action on the constitutional amendment regarding social security was suspended. The officers of the Chamber were also asked to provide explanations. Luis Eduardo is in a hurry. Even before receiving that notification, he instructed his advisers to go to the Supreme Court and get a copy of Marco Aurelio de Mello's injunction.

Brazil: Welfare Reform To Be Suspended 2 Weeks

96SM0247B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 96 p 1

[Unattributed article: "Reform Suspension To Continue 2 More Weeks" — received via Internet]

[FBIS Translated Text] Brasilia—The suspension of social security reform will continue for at least more two weeks. The speaker of the Chamber of Deputies, Luis Eduardo Magalhaes (PFL [Liberal Front Party], Bahia),

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has visited the chief justice of the Federal Supreme Court (STF), Sepulveda Pertence, to request that the matter treated as urgent, but Justice Marco Aurelio de Mello, in charge of scheduling the hearing, does not intend to put it on the agenda until next week. "The reform is not supposed to have an effect for another 10 years, is it?" Mello asked sarcastically.

In his half-hour talk with Luis Eduardo, Pertence said that "because of its importance," a ruling will be made "as soon as possible." But he pointed out that the date is up to Mello, who has no deadline for bringing the matter before the full court, and the attorney general of the republic, Geraldo Brindeiro, who also has no deadline for submitting his opinion. Since the Chamber of Deputies has decided not to appeal the preliminary injunction—an action considered pointless, considering that the full STF has regularly rejected appeals against preliminary injunctions—the next step in the process will be the ruling on the merit of the writ of security filed by the opposition parties.

Mello hinted that he might change his vote. "No judge can be obstinate," he said yesterday, but he immediately added: "I don't recall ever having reconsidered anything." He said he would probably make up his mind within 10 days. Mello is convinced that the reform is not an internal affair of Congress in which the STF cannot interfere. In 1993 the STF rejected a suit against constitutional revision on the grounds that that was an internal affair.

"Now the parameters are different," said Mello. In his opinion, there has been a "clear violation" of the Constitution, which prohibits a matter rejected by Congress from being resubmitted during the same year. Another justice on the STF disagreed: "If the matter had been rejected, it would be on file in Congress."

Brazil: Reelection Amendment Debate on Hold

96SM0247C Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Apr 96 p 1

[Article by Carmen Kozak: "Reelection on Hold" — received via Internet]

[FBIS Translated Text] **Government supporters will not install the special committee until they have resolved the stalemates on administrative and social security reform.**

Brasilia—The Chamber of Deputies Special Committee—which is going to debate the reelection amendment—will not be installed until after the first vote on social security reform has been taken and the stalemates blocking administrative reform have been resolved. The decision to keep the matter on hold for a while was made Sunday night during a meeting at Planalto Palace between the president of the republic, Fernando Henrique Cardoso; the speaker of the Chamber of Deputies, Luis Eduardo Magalhaes (PFL [Liberal Front Party], Bahia); Minister of Communications Sergio Motta; and government leaders in the Chamber of Deputies.

A unanimous opinion was reached at that meeting: it is not possible to think about reelection as long as the Federal Supreme Court has not suspended the effects of the preliminary injunction issued by Justice Marco Aurelio, who thereby canceled the vote on social security reform and brought Congress to a standstill. Most of the participants in the meeting feel that the committee should be installed as soon as the squabbles over administrative and social security reform are settled.

Stalemates—Luis Eduardo Magalhaes, who will have the final say on the matter, agrees. But the speaker of the Chamber of Deputies and the government leader in the Chamber, Luiz Carlos Santos, are more concerned about the fact that the vote on the reforms has been halted. They feel that the administration and its leaders in Congress should do their best to resolve the stalemates. If they do not, the administration faces the risk of ending this half of the year without even bringing the administrative and social security reforms to a vote. Because of that, they recommended that the reelection issue be set aside for the time being.

That idea was accepted by everyone, including Sergio Motta and the PSDB [Brazilian Social Democracy Party] leader in the Chamber, Jose Anibal (Sao Paulo). The preliminary injunction by Justice Marco Aurelio of the Federal Supreme Court opposing social security reform caused Anibal to give up his intention to persuade Luis Eduardo to install the committee before the end of this week.

One of the participants in the meeting said that the PSDB's members made no secret of the fact that they want the reelection issue settled this year. They have no hope of seeing it happen before June. But they glimpse possibilities in the second half of the year, including the period after the municipal elections in October. Their plans clash with what Luiz Carlos Santos' PMDB [Brazilian Democratic Movement Party] and Luis Eduardo's PFL want. Both parties agree with the decision on installing the committee, but they will leave the matter on the back burner until next year.

Consultations—The PMDB leader in the Chamber of Deputies, Michel Temer (Sao Paulo), said yesterday that "the reelection issue will be kept on hold." According to him, "it is obvious" that the issue is disrupting the reforms, and the backers of the bill "have realized

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that." Even so, Temer is consulting within the party to determine whether there is a willingness to reverse the decision not to debate the amendment until next year. By tomorrow he will have finished appointing all the PMDB members of the committee. "I feel that the matter has been put on hold, but I will make the appointments because the PMDB is not going to be an obstacle to anything."

Luis Eduardo is still not saying what the fate of the amendment will be. He is saying nothing about plans to install the committee, not even to the author of the amendment, Deputy Mendonca Filho (PFL, Pernambuco), or the potential rapporteur, Deputy Cassio Cunha Lima (PMDB, Paraiba). "I am not even telling my mother what I intend to do," he jokes whenever a congressman tries to obtain some information.

Brazil: FHC Opines STF Will Continue Reform Process

96SM0247D Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Apr 96 p 1

[Unattributed article: "FH Gambles on Suspension" — received via Internet]

[FBIS Translated Text] Brasilia—President Fernando Henrique Cardoso said yesterday that he believes the Federal Supreme Court (STF) may suspend the preliminary injunction issued by Justice Marco Aurelio de Mello on Friday, the effect of which was to bring action on social security reform to a standstill. "It is obvious," the president said. Fernando Henrique pointed out, however, that the issue is in the hands of the speaker of the Chamber of Deputies, Luis Eduardo Magalhaes (PFL [Liberal Front Party], Bahia), and he declined to make any further comment on the matter.

"The president has expressed his opinion that the STF should decide to allow the reform process to continue," said Ambassador Sergio Amaral, spokesman for the Office of the Presidency.

The spokesman denied, however, that in expressing his opinion, Fernando Henrique was interfering unduly in matters within the judicial branch's sphere of authority. According to him, the president was expressing his position based on previous decisions by the STF regarding issues similar to that of social security.

Colombia

Colombia: Samper Issues 'Internal Disturbance Decree'

PA1804035796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1904 GMT 17 Apr 96

[Report by Alvaro Miguel Minas]

[FBIS Translated Text] President Ernesto Samper Pizano has notified the guerrilla that he will respond in kind to their attacks to defenseless Colombians.

[Begin Samper recording] This is an internal disturbance decree whereby we create special public order zones. Based on this decree, any governor may designate a special zone within his department. Within this zone, the forces of law and order operating there will not just unify controls over operations but also implement a series of restrictions regarding circulation and possession of weapons, which the defense minister will explain this afternoon in Bogota. We hope that with this measure, that effectively allows the state to provide a regional response to the destabilization attempts by these terrorist and criminal groups, we will take a fundamental step in the task of the Colombian Government to ensure something that we all want, namely, to be able to live in peace. [end recording]

The president has reiterated that if we lose this war, the losers will not be the government and the Armed Forces but all the people of Colombia. He has given faith and hope to Narino State residents to continue fighting and cooperating with justice to defeat subversion in this peaceful region. Defense Minister Juan Carlos Esguerra Portocarrero made these remarks on the measures to be adopted officially today in Bogota.

[Begin recording] [Esguerra] The situation of the public order zones [passage indistinct] as territorial areas that will be determined by each governor, or group of governors, whichever the case may be, at the request of the respective military commanders on specific dates during which the measures that we are taking will be applied to put teeth into this decree.

[Minas] [words indistinct] territories?

[Esguerra] As I have said, they will be determined according to the circumstances that [word indistinct] public order.

[Minas] [words indistinct] measures?

[Esguerra] The measures have to do with circulation, mobilization, residency, possession of weapons, and [words indistinct]

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[Minas] In addition, the president said that to officially call up the last three reserve units he has to make some adjustments. He is discussing these adjustment with the defense minister, the commander of the Armed Forces, and the commander of the Army. However, the president has warned and given the guerrilla forces an ultimatum to take the path of negotiation, or pacification, or there will be total war. As the defense minister has stated, we will make them fall in step one way or another. [end recording]

Colombia: 2 Killed in Bomb Attack on Police Station

PA1804025496 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Apr 96

[Report by Yolanda Bedoya from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 18 April]

[FBIS Translated Text] Another guerrilla attack was reported in San Cristobal, a district in the outskirts of Medellin. One of the two fatalities was a young girl who was walking by the place.

[Bedoya] Two people were killed and 14 were injured as a result of a bomb attack against the police station in San Cristobal neighborhood, approximately twenty minutes west of downtown Medellin. In addition to a 16-year-old girl who died instantly, an injured policeman died last night; he was 28-year-old Golpis Urieles Lopez, a married soldier from Cienaga, Magdalena Department. His body will be transferred to Cienaga for burial. Three other policemen were injured, one of whom will probably be permanently crippled. Eleven civilians were also injured:

[Begin bomb victim Victoria Roldan recording] I felt a terrible explosion that hurled me backward. I do not remember very well what happened. I blacked out at that moment and was all bloody when I came to. [end recording]

[Bedoya] The tenth grade student of San Cristobal School did not attend classes today. At the neighborhood funeral parlor, for the last time students accompanied 16-year-old Jessica Maria Pena who was on an errand when the bomb exploded just as she passed the police station:

[Begin student Patricia Vanegas recording] She was a good, affectionate schoolmate. She would speak on our behalf, because she could express herself well. [end recording]

[Bedoya] Her relatives are waiting for Jessica's parents to arrive from the United States to bury her. [end recording]

Colombia: Kidnappers Release Peace Commission Leader

PA1804021796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 17 Apr 96

[From the "Latest News" newscast]

[FBIS Translated Text] The authorities confirmed to Radio Cadena Nacional this afternoon that the president of the Peace Commission of the Chamber of Representatives, Jose Maya Garcia, who was kidnapped on 14 April was released in the town of Bolivar, Cauca Department, today.

Colombia: VP Asks Kidnappers To Release Gaviria's Brother

PA1604222496 Madrid EFE in Spanish 1848 GMT 16 Apr 96

[FBIS Translated Text] Madrid, 16 Apr (EFE) — Humberto De la Calle, Colombian vice president and ambassador to Spain, today asked the kidnappers of Juan Carlos Gaviria to respect his life and to release him immediately. Juan Carlos Gaviria is former President Cesar Gaviria's brother.

In a communique sent to EFE, De la Calle asked "the same thing" from "the kidnappers of other people" and that they be returned to their families safe and sound.

Architect Juan Carlos Gaviria was kidnapped on 2 April near the Colombian city of Pereira, and his kidnappers, who belong to the so- called Dignity for Colombia Movement, are demanding the resignation of former President Gaviria (1990-1994) from his post as OAS secretary general, as well as the resignation of the Colombian president and vice president, Ernesto Samper and De la Calle, respectively.

"Kidnappings," De la Calle stated in his communique, "are inadmissible under any circumstances, and when they have political objectives, they also constitute a blow to democracy, because they attempt to influence a country's course by force." He maintained that, "personally speaking, I am not planning to give in to any type of pressure or blackmail," and that he is convinced that the risks of attacks on Colombia's honor and calmness will be overcome soon.

In De la Calle's opinion, the political crisis the country is experiencing "must be resolved amid a climate of unity and coexistence, but strictly within the institutional mechanisms the Constitution stipulates."

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Colombia: Authorities Foil Car Bomb 'Terrorist' Attack

PA1804030696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 17 Apr 96

[Report by Carlos Barragan; from the "Latest News" newscast]

[FBIS Translated Text] [Barragan] We are with Brigadier General Ismael Trujillo Polanco, director of the Dijin [Judicial and Investigative Police Directorate].

General, what did the authorities foil today?

[Trujillo] We foiled a terrorist attack that was supposed to take place through a car bomb scheduled to explode this afternoon. We received information from citizens three days ago that this action was being planned. This information allowed us to conduct surveillance and observation operations in many populated areas. We were also told the transportation sector was being targeted, and that is how we were able to locate this car bomb, the vehicle at the transportation terminal in front of station No. 3. We proceeded to inspect the vehicle and found an explosive device in the car's trunk. The bomb consisted of 47 sticks of dynamite and a bar of solid pentyl [pentonita]; it contained an electric ignition device set by a timer that had been programmed to explode a few minutes later.

[Barragan] How powerful was the car bomb?

[Trujillo] The dynamite could have inflicted damage within a 60-meter radius. In addition, had the explosion occurred, the vehicle would have turned into a thousand projectiles that also could have inflicted unpredictable damage on people and property.

[Barragan] How many people were arrested?

[Trujillo] No one was arrested. The vehicle was left where it was found a few minutes earlier, but no one is under arrest.

Colombia: Attorney General Said To Cash Cali Checks

PA1804041096 Madrid EFE in Spanish 0130 GMT 18 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 17 Apr (EFE) — Colombian Attorney General Orlando Vasquez Velasquez cashed checks issued by the Cali cartel to Senator Arlen Uribe after his murder, and maintained close ties with the disbanded Medellin cartel, the "Seven O'Clock" television newscast reported today.

The Prosecutor General's Office today interrogated Vasquez Velasquez as part of the investigations regarding the infiltration of money from drug trafficking in politics. "It was established that the firm Exportcafe (a Cali cartel front company) paid bills for the attorney general," the newscast reported.

Some of the checks cashed by Vasquez Velasquez were issued by Gilberto Rodriguez Orejuela, believed to be the top leader of the Cali drug cartel, to deceased persons, such as Senator Uribe (who was killed in 1994).

Vasquez Velasquez, who was government minister during the administration of Liberal President Virgilio Barco (1986-1990), deposited those funds in current, savings accounts and time deposits.

According to the newscast, the Prosecutor General's Office has "serious evidence confirming that Vasquez Velasquez had, together with Federico Estrada Velez, a senator who also was murdered, links with the disbanded Medellin cartel."

The Prosecutor General's Office is also investigating the relation between Vasquez Velasquez and a Colombian facing drug trafficking charges in Italy who is being sought by the authorities in that European country.

Vasquez Velasquez was summoned by a prosecuting office of the Supreme Court of Justice to respond to charges of illegal enrichment.

Chilean Guillermo Pallomari, former accounting chief of the Cali cartel, who surrendered to U.S. authorities, recently said that Vasquez Velasquez was one of the politicians who received money from that criminal organization, as well as other social rewards.

Vasquez Velasquez' name appeared in a list of Colombian politicians and personalities favored by the "capos" of the drug cartel operating in the southwestern Colombian city of Cali. That list started a major judicial process and a scandal over the infiltration of money from drug trafficking in politics.

Vasquez Velasquez, however, today said he hopes that "justice will be served" adding that he is "at peace, because everything that has been said about my conduct are speculations made through the media."

Vasquez Velasquez spoke to several reporters who approached him after his interrogation, which lasted eight hours. He said that he will not resign to his post because of the charges filed against him.

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Colombia: Attorney General Rejects Alleged Cali Debt Link

PA1804044296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 17 Apr 96

[From the "Latest News" newscast]

[FBIS Translated Text] Questioning of Attorney General Orlando Vasquez Velasquez and Communications Minister Juan Manuel Turbay before a special prosecutor at the Supreme Court of Justice are over. Neither Vasquez Velasquez nor Turbay will have to return to this court.

After rendering declarations, Vasquez Velasquez said he will not resign. He rejected allegations of outstanding debts with the Cali cartel. He is calm and expects to be vindicated.

[Begin recording] [Vasquez Velasquez] After the questioning, I feel calm. Most information carried by the media were speculations and reports that did not convey the truth. I am confident that in the end, justice will prevail. I repeat I feel more at peace after rendering my declarations than before coming here.

I also feel that the negative reports in the media, particularly on television last night regarding my presence here have been proven wrong.

I will never evade my responsibilities, on the contrary, I will always be willing to respond to any call demanding my presence or clarification.

[Unidentified reporter] Is your continuation in the case a matter of justice or principle?

[Vasquez Velasquez] I am fulfilling my duty and responsibilities, which I assumed since I pledged to comply with the Constitution and laws of the Republic. [end recording]

Colombia: Envoy Ordered To Present Narino Case at Geneva

PA1704220896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 17 Apr 96

[Report by Gilbert Vega; from the "Midday Newscast"]

[FBIS Translated Text] Colombia is one of those countries that always appears in reports about human rights violations, reports prepared by public and private entities, and by international organizations such as the United Nations, the OAS, and Amnesty International.

The country is now demanding that disgraceful actions committed by the guerrillas be also considered human rights violations, and it has demanded it through its chief of state, Ernesto Samper Pizano who is right now on his way to Ipiales. Gilbert Vega has details.

[Vega] This morning at the Luis Angel Arango Library, while installing the regional consultation on the impact that armed conflicts have on infants, President Ernesto Samper informed that his government will denounce the recent action by the guerrillas in Narino Department at the human rights forum in Geneva, Switzerland.

[Begin Samper recording] This meeting is taking place at a very difficult moment in the drafting of my government's human rights policy. While in Geneva there are discussions about some sort of symbolic penalty on the Colombian state because of its performance in the protection of human rights, in a remote Colombian province, a group of assassin guerrillas yesterday pitilessly ambushed and massacred humble soldiers who were almost boys.

I refuse to believe that the final outcome of this paradoxical situation could be that the soldiers who were murdered will be condemned while the human rights of their killers are defended.

For as long as the international community fails to understand that in cases such as Colombia's and in situations as the one we endured yesterday, hellish for sure, the defense of human rights must apply equally to all the parts in conflict, we will never be able to convince our state agents that they must respect a humanitarian system that the people who kill, kidnap, and mutilate them, use as a shield.

This is why today I am ordering our ambassador in the United Nations to internationally present the Narino case as evidence of who are the ones violating and how they are violating the human rights we are often accused of violating. [end recording]

The president also indicated that for the same reasons he has proposed to the UN high commissioner to urgently install a human rights office to receive complaints of violations committed by state agents as well as by other persons, as part of the armed conflict we are currently enduring that also involves rebel groups and the so-called paramilitary groups.

Colombia: Liberal Directorate President on Samper

PA1404003096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 12 Apr 96

[Telephone interview with Emilio Leovolo Castellanos, president of National Liberal Directorate (DLN) by Dario Arizmendi in the network's studio in Santa Fe de Bogota; location of Castellanos not given; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Emilio Lebolo Castellanos is the new president of the National Liberal Directorate.

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Do you belong to the [word indistinct] of Comptroller David Turbay?

[Castellanos] I would like to clarify that matter right know. The DLN consists of, as was decided at the convention, all leanings represented in the Liberal Party. Once I was elected a member of the DLN, I acted in the name of the PC. None of the other factions or PC [Conservative Party] leaders has interfered in the decisions made by the DLN.

[Arizmendi] That means you will not be supporting Gaviria-ism or Turbay-ism?

[Castellanos] None of us has done that. It is good to clarify this matter, because it has been insinuated that members of the DLN are representing personal interest, but that is not true.

[Arizmendi] How long will your term last?

[Castellanos] I believe this year until the end of December.

[Arizmendi] What has been your personal attitude toward the administration and the president, whose trial is going on in Congress?

[Castellanos] I believe one has to respect the due process of the law. We believe it is the obligation of the PL [Liberal Party] to see that the president's rights are respected so he may have a fair trial; nevertheless, we must accept the decision of the Chamber of Representatives, which the Constitution empowers to judge the president.

[Arizmendi] Do you believe the relationship between President Samper and the DLN is experiencing one of its worst moments, considering that Luis Fernando Jaramillo said recently the PL cannot be sacrificed at the expense of the president's responsibility? Guillermo Geraldo is asking for the president's resignation, as is Inez Gomez de Vargas. What do you think?

[Castellanos] I can say what has been discussed within the DLN but not all that has been said outside of the DLN, because I do everything that has been said. The DLN has not asked for the president's resignation. We have drawn up a list of issues, some of which we consider to be of mutual interests, that have been [words indistinct], we will discuss with the president. One cannot say there has been neither a closer relationship nor estrangement from the president, because we do not know the president's opinion about these issues. We also are going to speak with the president about the political reforms, of which we have no knowledge, that have been sent to Congress.

We think the Liberal Party bloc, rather, that the DLN must study with the Liberal bloc topics that have to do with politics. In general terms, I would not say we are estranged from the president. We do have differences of opinion. For instance, we think it is good to explain that the DLN, the DLN Treasury did not intervene in the campaign process, did not receive money from the campaign, not that it asked for it. These kinds of explanations are necessary but do not necessarily mean we are moving away from the president. We are, instead, explaining the DLN position on certain topics.

[Arizmendi] For instance, there is a radical difference of opinion about a solution to the current political crisis. The president has suggested moving up the elections. The DLN flatly says no. Why?

[Castellanos] We think it is not advisable now to be thinking of elections that would lead.... [pauses] would become one more disruptive factor for the country. We strongly believe the proceedings being conducted on the president must be expedited, a point which we view as being of fundamental importance. The country will continue living under total uncertainty as long as the trial remains pending.

[Arizmendi] You disagree with moving up the elections. Would your party also disagree, if the president is acquitted, with his initiative of holding a referendum to support his term?

[Castellanos] I think every day brings [words indistinct] once the ruling by the Chamber of Representatives is known, whether declaring him innocent or guilty, we will have to gauge public opinion. If the public states that the president's term must be confirmed, we will hold a referendum; otherwise, we will not. I think that to anticipate this matter would create greater confusion in the entire process.

Colombia: Lawyer Says Samper's 'Enemies' Delaying Probe

PA1504144996 Madrid EFE in Spanish 2320 GMT 13 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 13 Apr (EFE) — Luis Guillermo Nieto Roa, Colombian President Ernesto Samper's lawyer, today reported that the president's enemies attempted to hinder and delay the investigations on the infiltration of drug money into his 1994 presidential campaign.

During an interview with Radio Cadena Nacional (RCN), the jurist explained that this obstruction "has slowed down the process" of the investigation on the president, a process that has been in fact halted since early 1994. Nieto affirmed that this situation prompted the letter Samper sent today to Accusations Committee President Heyne Mogollon asking him to expedite the

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investigations due to the "worsening" of the country's political situation.

According to the defense lawyer, the legal proceedings of the case "have been bogged down in several manners: with requests for disqualifications in order to suspend the process and by insisting that the evidence be discussed prior to entering the assessment phase to disqualify it and again reconsider it."

In the opinion of the president's lawyer, these strategies "are undermining the Colombians' spirit.

Twelve of the 15 members of the Accusations Committee were challenged by several congressmen who believe that the former are morally disqualified to evaluate the president's conduct. Since that day, the collection of evidence and the interrogation of those involved in and witnesses in the case have been suspended.

Likewise, several members of the same parliamentarian committee have asked to again interrogate the president, which was first done on 26 March, because they believe that certain questions were left pending and unanswered. The lawyer maintained that the investigators can interrogate the chief of state as many times as it is necessary but insisted that they must consider all the questions already asked and must not go over issues already covered.

Nieto recalled that President Samper already testified before the National Electoral Council (CNE) and before the same parliamentarian committee in 1995, during the first investigation, following which it decided not to recommend the opening of a trial against the president by the lower chamber.

According to the jurist, Congress must end these delaying strategies by "Samper's enemies," who have nothing to do with the parliamentarian committee, and must perform "swift and dynamic work." These people's objective is to "delay the public debate on the president's conduct and prevent it from being proven it was clean and honest," Nieto pointed out.

In addition, Accusations Committee Vice Chairman Jorge Humberto Mantilla today reported that those arrested in connection with drug trafficking are trying to discredit the members of this committee with false accusations. These people, according to Mantilla, are trying to get shorter sentences as a result of their cooperation with justice.

"There are people trying to challenge us saying that we lack moral attributes; when you see who they are, you realize it is these people who acted illegally and who have been legally charged," Mantilla added.

The parliamentarian described these accusations, of which he has been the target, as a "merciless attack to undermine the congressmen's morale. He explained that Julian Murcillo, who was arrested and accused of being a front man for the Cali Cartel, "has tried to resurrect an accusation against me for his alleged call to my cellular telephone," adding that, as the Prosecutor General's Office has determined, at his request, this accusation is false.

Colombia: Samper May Be Called To Amplify Statement

96SM0244A Santa Fe de Bogota EL TIEMPO in Spanish 16 Apr 96

[Received via Internet]

[FBIS Translated Text] By means of a summary review among the members of the Chamber's Accusations Commission, the triumvirate investigating President Samper will decide whether or not to call on him to expand on his unsworn statement.

Heyne Mogollon, coordinator of the group of three examiners, will summon the members of the body for that purpose tomorrow.

The expansion of the hearing has been sought by members of the congressional committee, including Francisco Canossa and Mario Rincon.

Both are of the opinion that the list of questions prepared by Mogollon was did not sufficiently dispell the doubts that are still latent. Most of them are related to the political accountability incurred for the head of state by the irregularities in his campaign financing.

Mogollon, in particular, does not favor having an expansion made of the unsworn statement. He thinks that his critics have an overly partial view of the proceedings, because they disregard the fact that, before the unsworn statement was taken, Samper had already given a free, spontaneous account.

The defense attorney, Luis Guillermo Nieto Roa, agrees with Mogollon's assertion, giving a reminder that Samper has already responded on three occasions: besides the freely given account, and the unsworn statement, the chief executive has submitted a written declaration to the National Electoral Council.

Additional Evidence

Before being relieved of his position on the Accusations Committee, Representative Carlos Arredondo proposed hearing the president again when the Prosecutor General's Office finishes submitting other important evidence, including the unsworn statements taken from the

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ministers of interior, foreign affairs, and communications.

In his opinion, new "additional evidence" helpful to the proceedings for which the Chamber is responsible could be derived from those investigations.

Nieto calculated that, if it is not opted to summon Samper again, the investigation will be closed within two weeks.

He explained that, for the present, all that is being awaited is Vice President Humberto de la Calle's response to the list of questions recently sent to him containing queries regarding the campaign financing, and the investigators' collection of the testimony from the regional treasurers.

In the event that the committee deems it necessary to hear the president again, the investigation could be extended for four weeks.

This one-month period was, in fact, called for by the vice chairman of the investigative body, Jorge Humberto Mantilla.

EL TIEMPO's correspondent in Bucaramanga, Jose Antonio Mantilla, reported that the congressman had claimed that the committee has a large amount of probatory evidence that will enable the Chamber of Representatives to decide whether to accuse the president before the Senate, or to estop the investigation (close the case records permanently) for lack of merits.

He also stressed that, despite all the criticism that has been aroused, this will be the first judicial body that will make a thorough, definitive pronouncement concerning the crisis resulting from case 8000.

He remarked: "In this crisis, the Accusations Committee is caught in the middle of a crossfire between those expressing approval or disapproval. We are shouldering this problem and, in order to emerge from the crisis without problems, we must do our duty as befits us."

Colombia: Mestre, Giraldo To Stand Trial

96SM0245A Santa Fe de Bogota EL TIEMPO in Spanish 16 Apr 96

[Received via Internet]

[FBIS Translated Text] A year after his imprisonment, Eduardo Mestre has not succeeded in persuading the Prosecutor General's Office that, if he appears as a beneficiary of a check issued by a Cali cartel "front" firm, it is because he sold two Persian rugs and a painting to a Valle merchant. In fact, yesterday Mestre was summoned to stand trial for illicit enrichment.

An ex-candidate for the nominating entity, ex-minister of interior, and ex-senator, Mestre is not the only one against whom the Prosecutor General's Office has announced a resolution for accusation. His prison mate, the reporter Alberto Giraldo, experienced the same fate yesterday.

EL TIEMPO established the fact that both intend to appeal the decision. Nevertheless, at least insofar as the first instance (the Special Prosecutors Commission assigned to Case 8000) is concerned, the investigators are sure that Mestre and Giraldo will have to stand trial.

The summons of the politician and reporter for trial has occurred 12 months after the Prosecutor General's Office issued arrest warrants for them, arguing their possible connections with the Cali cartel and their presumed receipt of money from the drug traffic.

The case records against Mestre and Giraldo will be transferred immediately to the regional court system, which will be responsible for making the pertinent judgment.

After that date, the faceless judge to whom the cases are assigned will have 10 business days to set the date for the public hearing, at which the parties' charges and answers to charges will be heard before judgment is passed.

With Giraldo and Mestre, there are now five persons involved in the so-called case 8000 who have been summoned to stand trial. Last month, the accusing entity issued an accusatory resolution against the brothers Luis Fernando, Julian, and Tulio Murcillo, for presumed illicit enrichment and for serving as "fronts."

The decision involving Mestre and Giraldo comes two and a half months after the Prosecutor General's Office closed the investigations conducted against them.

Rugs and Monthly Payments

The probatory material on which the Prosecutor General's Office based its grounds for announcing the resolution against Giraldo and Mestre consists, among other evidence, of testimony and documents reportedly confirming their links with the drug traffic and the contributions that they presumably received from members of the Cali cartel.

In the case of Alberto Giraldo, the office succeeded in establishing the existence of several drafts issued in his name by firms categorized by the authorities as front companies for that cartel. The reporter apparently received over 60 million pesos from those firms, without being able to explain the reason for it.

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The reporter also has been identified by the ex-treasurer of the Samperist campaign, Santiago Medina, and by the Cali cartel's ex-treasurer, Guillermo Pallomari, as the liasion between the Liberal campaign and the cartel. Furthermore, Giraldo reportedly was the one responsible for delivering a large portion of the millions contributed by the cartel to the electoral contest.

Giraldo, who said that he had never denied his friendship with the brothers Gilberto and Miguel Rodriguez Orejuela, chiefs of the Cali cartel, confirmed the authenticity of the conversations in which the Rodriguez Orejuela brothers discuss a financial contribution to presidential campaigns.

These telephone conversations were the starting point for case 8000, and for the investigation of President Ernesto Samper being conducted by the Chamber's Accusations Commission.

For his part, Eduardo Mestre's name appeared on seven check stubs confiscated in the many raids on properties of Cali cartel members, front men, or companies serving as fronts for them.

Mestre reportedly received a total of 38 million pesos in the form of contributions which, in the opinion of the Prosecutor General's Office, constitute the principal evidence against him.

This money apparently was delivered in the form of "monthly payments" that this organization was issuing to well-known politicians in the country.

Mestre's name also shows up in a transaction with Omar Perez, who appears as owner of Distribuidora Agricola La Loma [La Loma Agricultural Distributors], a company that was raided in March of last year by the Special Search Task Force.

Regarding this particular case, Mestre claims that the sum issued in his favor by Perez, totaling 35 million pesos, was based on the sale of two Persian rugs and a painting by Enrique Grau.

Shortly thereafter, the Prosecutor General's Office found drafts (in Mestre's favor) for 300 million pesos, coming from the "Export Coffee" account under the heading "Champagne 3." According to the cartel's ex-accountant, Guillermo Pallomari, this is associated with an account owned by the cartel, and opened to finance political campaigns of candidates for Congress.

Mestre also appears as a guest at the Intercontinental Hotel in Cali, whose bills presumably were paid by Inversiones Ara [Ara Investments], a front company for the Cali cartel. Finally, during Pallomari's interrogation by the Prosecutors Commission to obtain his unsworn statement, the accountant indicated that the ex-minister had received money from the cartel's accounts.

Both Mestre and Giraldo have denied receiving contributions directly from members of the Cali cartel.

The regional court system has approximately two months to decide on the status of Eduardo Mestre and Alberto Giraldo.

Colombia: Banks Threaten Closure If Police Leave

PA1404135696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 13 Apr 96

[From the "Midday Newscast"]

[FBIS Translated Text] Reports of police possibly pulling out of various areas are generating some concern. Some banks have threatened to close if they are left unprotected. [Words indistinct] the police withdrawal from 100 of Colombia's rural municipalities could force banks like the Agrarian Fund, the Cattle Breeders Bank, and the Bank of Bogota to close. The announcement has alarmed some Fedegan [National Cattle Breeders' Association] leaders, who warn — and the government knows this — that a pullout from some municipalities could mean a mass exodus of banking, operational, and business institutions. You may think now that it is difficult producing in areas where public forces cannot guarantee public order, but imagine what it will be like if the police withdraw completely, the Fedegan president said:

[Begin Fedegan president recording] This announcement should alarm the entire country. No one could expect civilians and businessmen to continue working in these areas when not even the police can remain there. Puerto Wilches is one of the country's big palm tree growers; over 20,000 palm trees have been planted; over 100 palm tree businesses generate many jobs and benefit this area; this business generates over 3,000 jobs. I do not know what the world is coming to if the government cannot guarantee public order through an active police presence. You can tell that the situation in rural areas deteriorates every day. [end recording]

Agriculture and Livestock Minister Jairo Hernando Arias (?admitted) that the situation is even worse in areas where the Agrarian Fund is the only bank and has one police unit as its only protection.

Colombia: Cali Police Head Discusses Security Program

PA1204180996 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 11 Apr 96

[Interview with Colonel Luis Bernardo Maldonado, Cali Metropolitan Police commander, by an unidentified

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reporter at the studio of Radio Cadena Nacional in Cali; from "The Latest News" newscast — live]

[FBIS Translated Text] [Reporter] There has been a series of debates in the capital city of Valle del Cauca Department in reaction to the Metropolitan Police strategies to relocate personnel and the demand for better locations. Colonel Luis Bernardo Maldonado, Cali Metropolitan Police commander, is here with us at the RCN [Radio Cadena Nacional] studio in Cali. Colonel, what are the most recent developments regarding the relocation of personnel in Cali rural areas?

[Maldonado] Well, we have developed a comprehensive security program for the metropolitan area in Santiago de Cali. We have taken two fronts: the urban and the rural fronts. In rural areas, for instance, subverters and criminals have attacked some police stations. Therefore, we have had to regroup, educate, and train our policemen on techniques to respond to frequent criminal activities in these areas. We have strengthened and continued to increase intelligence activities in rural areas. We have created a Rural Operational Command that, along with a group of men whom the 3d Brigade is training on counterguerrilla activities, will give support to our men who work at rural police stations. We will provide them with operational resources, logistics, communications, and transportation. This means that the community will also participate in solving problems in rural areas.

In addition, we will increase the number of police stations in urban areas from eight to 20.

Colombia: Government To Invest in Armored Helicopters

PA1204142796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 10 Apr 96

[Report by Alvaro Javier Palacios and Luis Antonio Paz; from the "RCN Radio Events" newscast]

[FBIS Translated Text] Santa Fe de Bogota — President Ernesto Samper's government is preparing to invest $100 million in the purchase of helicopters to combat subversion in Colombia, so it is studying various U.S., Canadian, Russian, and French models.

The decision was adopted on Monday at a special security council meeting while the so-called armed strike of the FARC [Revolutionary Armed Forces of Colombia], ELN [Army of National Liberation], and a dissident faction of the EPL [Popular Liberation Army] was under way.

RCN has learned that President Ernesto Samper emphatically asked during the meeting why the military is unable to reach a place on time when guerrilla groups establish a roadblock on a highway or set fire to a bus. National Defense Minister Juan Carlos Esguerra Portocarrero answered: Because we lack adequate helicopters.

The minister told the president and other security members that the sites of attacks could be quickly reached by troops with weapons if they had helicopters. The minister added: In fact, the military brigade that currently covers a third of the national territory has only one helicopter and it is damaged. Esguerra Portocarrero added that they are currently studying the basis for a public bid that will allow the helicopters' purchase.

Following the national defense minister's statement, the security council ordered that the bid be announced within 15 days, meaning the last week of April. It was also decided that $100 million will be initially invested to purchase the first armored helicopters, equipped with moder weaponry, and the funds will be taken from the National Defense Ministry's budget.

Colombia: Government Admits Economic Slowdown

PA1204153896 Santa Fe de Bogota EL TIEMPO in Spanish 11 Apr 96

[Received via Internet]

[FBIS Translated Text] Although the government denied yesterday that the economy was entering a recession, it acknowledged that there are signs of a slowdown due to high interest rates.

Finance Minister Guillermo Perry Rubio and National Planing Department Director Jose Antonio Ocampo reiterated this yesterday and assured that it was necessary to reduce the excessive cost of credit to avoid greater problem in handling the economy.

The government officials addressed the Third Commission of the Senate, where a debate took place regarding a Public Expenditures Commission report.

The administration acknowledges that the high interest rates could further erode the country's productive activity, for which reason it is necessary to adopt measures.

However, the slowdown in not due exclusively to the high cost of credit, as pointed out by the Banker's Association and financial institutions. The Samper administration believes that factors such as the slowdown in construction, a decline in the coffee production sector, and the uncertainty regarding the political crisis has had a negative effect.

Faced with this situation, the Planing Department will reconsider the economic growth estimate for 1996, which was initially established at 4.9 percent of the

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gross domestic product (GDP). It is possible that the new objective will be slightly over 4.0 percent.

The planing director indicated that Colombia is far from an economic recession and that the mining, agricultural, minor exports, and public and private works sectors could contribute to a lesser decline in production.

Halt to Decentralization

During the debate sparked by senators Juan Camilo Restrepo and Juan Martin Caicedo Ferrer, the finance minister agreed with the assessment of the Expenditures Commission and said that is was necessary to introduce rapid and painful measures, especially regarding decentralization, to prevent a worsening of fiscal problems.

Perry believes that the expenditures issue is a structural issue, which has been handed down since the 1991 Constitution, which introduced new expenditures for the state regarding decentralization, the creation of entities such as the Prosecutor General's Office, and funds for social security.

Perry said that it was necessary to introduce changes, even if it meant reforming the Constitution, to solve the fiscal problem; otherwise social investments would have to be sacrificed. "We cannot jeopardize economic stability because of the decentralization process," Perry said.

The minister was in favor of drastically reducing funds for financing in 1997 to bestow these funds exclusively to the poorer municipalities.

In addition, Ocampo questioned a column of former Finance Minister Rudolf Hommes regarding public expenditure and said that during the Gaviria administration the growth of expenditures in real terms was an average of 11.3 percent per year, while during the Samper administration it is 2.3 percent in real terms.

Colombia: Interest Rates Remain 'Sky-High,' Credit Scarce

PA1304170096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 Apr 96

[Report by anchor Yolanda Ruiz and journalist Diego Suarez in Santa Fe de Bogota from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 12 Apr — passages within quotation marks are recorded]

[FBIS Translated Text] [Ruiz] Interest rates are still sky-high despite all the announcements from the government about lowering them. The cost of credit is extremely high and very few people can get credit nowadays. Let us see what happens.

[Suarez] Applying for credit in a bank has become a luxury few can afford today. One example will suffice to prove it.

[Unidentified bank clerk] "Ten million [currency not specified] for free investment? It is 42-percent compounded annually."

[Suarez] The government and the banks blame each other for the high interest rates. Bankers say they have no money to lend because most of the money they collect from the public must be deposited in the Bank of the Republic.

[Javier Fernandez Riva, chairman, National Association of Financial Institutions] "Second, because financial savings are not increasing much, the price tends to remain high if there is not a good offer on something."

[Suarez] This is compounded by the government's excessive expenses, which are covered with the public's money or with loans from commercial banks.

[Fernandez] "Third, the Bank of the Republic has an explicit — and reasonable, in a certain measure — policy to maintain high interest rates as long as inflation is not abated."

[Suarez] While the government or the banks find the magic formula to lower the price of credit, Colombians will have to continue paying more than twice the average interest rate to cover their expenses.

Colombia: Bank Official Says Rate Controls 'Do Not Work'

PA1304235796 Santa Fe de Bogota EL TIEMPO in Spanish 12 Apr 96

[Report by Evelio Giraldo — received via Internet]

[FBIS Translated Text] Maria Mercedes Cuellar de Martinez, codirector of the Bank of the Republic [Banrepublica] Board of Directors, said yesterday that controls on interest rates do not work.

"I do not know how interest rates can be forcibly reduced," Cuellar said in Menizales about President Ernesto Samper's statements in that regard and the debate that has resulted from the high cost of credit.

"Restrictions normally do not work, and if economic conditions resulting in high interest rates are given, the financial sector swiftly adjusts to them, and a tremendous drop in banking operations starts occurring soon," Cuellar said.

Addressing a meeting of the Executive Women of the Coffee Sector, Cuellar recalled that administrative

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measures were taken last year to control interest rates when there was much cash in the economy.

Cuellar said Banrepublica had implemented mechanisms to prevent the cost of credit from increasing. "What happens is that the active interest rates often get stuck and do not react to a decline in rates."

The administration insists on the need to reduce the cost of credit. Finance Minister Guillermo Perry Rubio reiterated yesterday that interest rates should be reduced four or five points. He rejected government interference and said any measure would be taken jointly with the issuer.

Waves of Terrorism

Faced with the symptoms of a decline in production, Cuellar insists that it had somehow been anticipated that the economy would not grow at the same rate as it grew last year. There was a very high demand in 1995 accompanied by an increase in private loans.

The board of directors is evaluating the behavior of the leading economic indicators of the first quarter to determine what is really happening to the economy. "It is convenient that businessmen wait a while to know the results, because waves of terrorism are frequent in Colombia. Everyone begins speculating and remarking that the world is coming to an end until the new figures are released indicating that life is normal," Cuellar said.

Regarding the opinion of Cesar Gonzales, president of the Banking Association, that the Banrepublica Board of Directors cannot modify its restrictive monetary policy because it must defend the price of the dollar, Cuellar said the bank's main objective is to reduce the inflation rate, and one of the ways to do so is to manipulate the monetary policy through interest rates.

In addition, the pressure on the exchange rate has caused the board of directors to be particularly prudent in the handling of interest rates in order to try to prevent speculation against the dollar.

Colombia: Government Endorses UN Human Rights Office

PA1204190096 Medellin EL COLOMBIANO in Spanish 9 Apr 96 p 2A

[FBIS Translated Text] Santa Fe de Bogota (COLPRENSA) — The government of President Ernesto Samper has insisted that Jose Ayala Lasso, UN high commissioner for human rights, consider the possibility of opening an office in Colombia. The office would be in charge of examining matters of human rights violations reported in the country.

This persistent request has several recommendations that rather sound like conditions for the eventual opening of a human rights office in Colombia.

First, the government asked that if a UN office is opened in Colombia, citizens would be able to file human rights violations, as well as violations to the fundamental rights of people, and international human rights by the guerrillas, and the so-called paramilitary groups.

Additionally, the government asked that this human rights office not take over the work of the Colombian organizations engaged in this mission.

As it is common knowledge, the UN Human Rights Commission in Geneva is considering the possibility of appointing a rapporteur for Colombia, due to the critical situation reported in the country. This situation has earned the country the name of the most violent in the world.

An Effective Office

The government rejects the appointment of a rapporteur as it would be a type of "decertification" in the eyes of several EU and other countries worldwide that encourage respect for human rights.

Ayala Lasso has said in several occasions that he does not want an office "without teeth," in other words if a UN office is opened in Colombia, then it will not have a decorative or representative purpose, rather it will be effective.

Several European nongovernmental organizations have asked Ayala Lasso and the delegates from more than 50 countries of the UN Commission to appoint a rapporteur to Colombia. This situation has put the Samper administration in a predicament.

The truth of the matter is that Samper himself sent a letter to Ayala Lasso last week, praising the disposition of the latter to open a UN office in Colombia.

In the letter, Samper added that the office would be of permanent character, suggesting it could provide technical assistant to the government.

Samper noted this office should be able to develop and agree with the government on policies and programs for the protection and respect of human rights.

Finally, Samper told Ayala Lasso about his administration's willingness to provide the headquarters and means for the UN office.

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Ecuador

Ecuador: Army Reinforces Border Against FARC

PY1704215396 Quito Voz de Los Andes in Spanish 1700 GMT 17 Apr 96

[FBIS Translated Text] The Ecuadoran Army has reinforced the surveillance of its border with Colombia, fearing that the Revolutionary Armed Forces of Colombia (FARC) may withdraw into Ecuadoran territory after the attack perpetrated on 15 April in the border region.

Colonel Marco de La Torre, deputy commander of the 39th Battalion stationed in the border town of Tulcan, said: We have reinforced the border with more guns, personnel, patrols, and communications equipment, and even ordered air support to ensure greater security.

The Ecuadoran operation being conducted in conjunction with the Colombian Armed Forces started when, on the evening of 15 April, 31 Colombian military personnel were killed in a FARC ambush operation conducted in Narino, on the border with Ecuador.

After pointing out that for the time being there are no developments or threats for Ecuador, De la Torre said: The security operation that we have been entrusted with is being properly conducted along the entire border.

Ecuador has reinforced its surveillance, particularly near the Colombian region of Porres, the site of the FARC ambush on 15 April.

According to official Colombian sources, this is one of the favorite areas chosen by the rebels to perpetrate their attacks because they take advantage of the topography of the region, located at an altitude exceeding 2,600 meters, to withdraw and even escape to Ecuadoran territory.

According to De la Torre, the Ecuadoran Army forces stationed in Tulcan are perfectly able to fulfill the current mission. Nevertheless, military authorities are closely following this situation and, if necessary, will order more support.

He explained that the operation is being conducted in conjunction with the Colombian Armed Forces, which have reinforced their surveillance with equipment and experts, thus forcing FARC forces deeper into Colombian territory, into the interior. In view of this, the Ecuadoran and Colombian unit commanders detached to the border will meet today to discuss the result of the operation being conducted on both sides of the border.

De la Torre said: The objective of the meeting scheduled after the religious service to be held in honor of the 31 Colombian military personnel killed in the ambush is to exchange information and ideas so that the two may conduct a more efficient operation.

Ecuador: Polls Show Number of Undecided Voters Up

PY1704001396 Madrid EFE in Spanish 1731 GMT 15 Apr 96

[FBIS Translated Excerpt] Quito, 15 Apr (EFE) — Polls published in today's newspapers show that the percentage of undecided voters to participate in the upcoming general elections scheduled for 19 May, which will elect President Sixto Duran-Ballen's successor, has increased from 24 to 26 percent nationwide.

The "Cedatos" private polling company reports that of the 74 percent of Ecuadoreans who in previous polls had stated they had already decided who to vote for, 33 percent have asserted that they might change their opinion if an unexpected political event occurred prior to the day of the elections.

According to the Cedatos poll, the percentage of undecided voters represents over 2.5 million of the near six million Ecuadoreans entitled to vote.

In the 19 May elections, Ecuadoreans will elect a president, a vice president, national and provincial deputies, mayors, prefects and district officials.

According to "Cedatos," on the basis of income level, the largest number of undecided voters (84 percent) come from families with monthly incomes of less that 1 million sucres (about $330), about 14 percent have an income of up to 5 million sucres (about $1,600), and 2 percent come from families with higher incomes.

The poll indicates that 31 percent of the undecided voters believe that unemployment and poverty are the two most important problems affecting Ecuador. Moreover, 22 percent believe that the other more important issues are corruption, injustice, and crime.

According to the "Perfiles de Opinion" polling company, Social Christian Party Candidate Jaime Nebot is heading the preference polls. Nebot obtained between 30 and 35 percent of the voters' preference, followed by Freddy Ehlers and Popular Democracy Party Candidate Rodrigo Paz, both of whom obtained 15 percent. [passage omitted]

Ecuador: Talks on Joining Mercosur To Begin in May

PY1704192196 Quito Voz de Los Andes in Spanish 1700 GMT 17 Apr 96

[FBIS Translated Text] Ecuador will start in May the final stages of negotiations to join Mercosur [Common Market of the South]. This is an objective Ecuador has been striving to achieve for several years. (Modesto Apolo), foreign trade under secretary, said Ecuador

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hopes negotiations will conclude because bilateral agreements have been postponed since 1993. He added that Mercosur-Ecuador, and Andean Group-Mercosur negotiations may end by the end of this year. In so doing Ecuador will enjoy the benefits resulting of a more extensive hemispheric free trade area.

Ecuador: Petroecuador Plans Leadfree Gasoline in May

96SM0233A Quito HOY in Spanish 25 Mar 96

[Received via Internet]

[FBIS Translated Text] Petroecuador [Ecuadoran State Petroleum Enterprise] will, beginning in May, attempt to expedite the transition to gasoline which is free of lead and manganese.

A program allowing the exchange of heavy naphthas for light naphthas with international refining enterprises will make it possible to produce gasoline with a higher octane rating but without the adherence of lead to the fuel.

State petroleum technicians explained that, thanks to this exchange, the Ecuadoran refineries will have available a larger quantity of petroleum distillate (naphtha), which is used to make gasoline.

While it is possible to extract distillate from Ecuadoran oil, the product is heavy and the refining technology is not sufficiently advanced to produce high-octane gasolines.

For this reason, the fuel produced in Ecuador requires large quantities of lead to increase the octane rating.

The operation of the three Ecuadoran refineries at full capacity with a view to obviating the need to import diesel fuel has also produced a surplus of approximately 2.14 million barrels of heavy naphtha.

This surplus, which will be exported, will be exchanged for light naphthas, which produce fuel with a higher octane rating.

Petroindustrial has completed studies supporting the execution of this project in the short term; and, at the present time, the mechanism for the transaction and the formulas for the purchase and sale of naphtha are being analyzed.

Double Benefit

When this new product is obtained, it will also be possible to reduce the consumption of a chemical called tetraethyl lead. It is an additive that increases the octane of fuel — but is a serious pollutant. The state spends $373,000 per month ($4.5 million per annum) to buy tetraethyl lead.

The purchase of light naphthas will spare the country the need to pay out a portion of its funds and simultaneously reduce environmental pollution.

Sources at Petroecuador have expressed doubt that it will be possible to achieve the goal of eliminating the polluting agents in gasoline within 60 days; however, they do believe that it will be possible to reach the level of at least 80-percent unleaded fuel.

The Petroecuador project will culminate in 1997 with the expansion of the Esmeraldas Refinery. In the early months of next year, the capacity for oil production and distillate refining will be increased.

It is expected that it will be possible to refine lighter naphthas. By that time, the technicians say, only gasoline that is free of polluting agents will be on sale in Ecuador. Also, diesel fuel of better quality will be available.

Ecuador: Vargas Calls For 'Mixed Economy'

96SM0233B Quito HOY in Spanish 26 Mar 96

[Received via Internet]

[FBIS Translated Text] A plan of government opposed to neoliberalism, which he charged has proved to be exclusive in nature and to benefit only a minority, was set forth yesterday by Frank Vargas Pazzos, the Ecuadoran Revolutionary Popular Action Party [APRE] candidate for the presidency of the Republic.

Speaking in the Former Presidents' Hall at the National Congress, in the company of his running mate, Leonardo Vicuna, and dozens of his supporters, Vargas explained his government program. He said that his rejection of neoliberalism does not mean that he shares the desire for concentration in the state. Thus, what he is proposing is the implementation of a mixed economic model in which private enterprise can participate.

One of his aspirations is to generate a mixed economic model, within the context of sustainable development, in which the private and public sectors can share responsibility, and the self-management and community sectors can be strengthened so that they can be integrated in the formal economy.

The "APRE Fatherland Alliance for All" government sets as its national goal the improvement of the education, health, housing, and labor sectors. All of the people of Ecuador have the right to dignified employment which will allow them, at a minimum, to support a family and to fully carry out and develop all of their social functions.

The work plan of the APRE also calls for the decentralization of the state, to be achieved by strengthening

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the sectional entities, allocating resources more broadly, and eliminating bureaucracy as a system.

A peaceful solution will be sought.

The territorial conflict with Peru should be resolved in peaceful, sovereign, and integral fashion; the advancement of the thesis asserts the impossibility of implementing the Rio de Janeiro Protocol, and demands a sovereign outlet to the Amazon River and a peaceful solution to the disputes, Vargas announced.

He stated that the APRE government will never abandon the claim to Ecuadoran territorial integrity or the determined defense of peace and justice throughout the world. He said that his government will promote the active participation and full rights of Ecuador in all international forums and bodies.

Ecuador: Broad Disapproval of Dahik Asylum

96SM0233C Quito HOY in Spanish 2 Apr 96

[Received via Internet]

[FBIS Translated Text] The granting of political asylum to Alberto Dahik Garzozi, the former Ecuadoran vice president who is a fugitive from Ecuadoran justice, has provoked critical reactions throughout the country.

The sources of the harshest condemnation have been former president Leon Febres Cordero, who accused the government of having promoted this move, and Deputy Heinz Moeller, who it would seem is attempting to "revise" relations with Costa Rica. However, the official "denunciation" came from the attorney general, who charged that the reason for granting asylum must be that Costa Rica received "biased information" from Ecuador, which would suggest that, in one way or another, the national government had "maneuvered" this offer of asylum.

Once the government of Costa Rica had granted former vice president of the Republic Alberto Dahik political asylum, the request for extradition became invalid. In addition, it will no longer be possible to execute the warrant issued for the arrest of this former official on charges of misappropriation of public funds.

This was the judgment of Attorney General Fernando Casares, who says he will respect the decision of the government of Costa Rica — but does not approve of it, because he insists that Dahik is not suffering from political persecution but is a "fugitive from justice."

He added that the fact that Costa Rica has granted Dahik political asylum does not mean that the criminal case against him will be dropped. Casares said it will be pursued, but he did admit that the extradition order is now invalid, and also that it will be impossible in the future to deprive the former vice president of his freedom.

Once the criminal investigation has been completed, the attorney general said, it is possible that a decree calling for a plenary proceeding may be promulgated; and, at that stage, the warrant for the arrest of Dahik may be confirmed. However, the problem is that he is out of the country; and according to Article 254 of the Penal Procedures Code, the court proceedings must be suspended. The attorney general expressed his disappointment, but nonetheless said he does not see the granting of political asylum to Dahik as representing a defeat for Ecuadoran justice, since others are implicated in the case and each of them must answer for his actions individually. He expressed doubt that the other "fugitives" will also seek political asylum, since they do not bear the same level of responsibility. He dismissed any responsibility on the part of the Supreme Court of Justice for negligence in failing to seek the extradition of Dahik earlier. "There is no particular moment at which the judge can demand extradition." However, he said he could have done this last October, when the arrest warrant was finally confirmed.

According to the attorney general, the government of Costa Rica decided to grant asylum because it was given biased information, even by the Ecuadoran foreign ministry itself.

On being asked if the Supreme Court had provided Costa Rica with information, he said that "...the government of Costa Rica very likely asked the judge for information and he probably responded. This is a question that should be asked of the judge."

'Extradition Can Be Requested'

Ecuador can indeed ask the government of Costa Rica to extradite Alberto Dahik, the former vice president, but it is unlikely that Costa Rica will comply after having classified Dahik as a political refugee.

This statement was made by Mario Aleman, a former deputy foreign minister. He said that despite the fact that there is no extradition treaty with Costa Rica, extradition can be requested on the basis of the principle of reciprocity contained in international law. Of course, this would have to be done after the president of the Supreme Court of Justice has determined the responsibility borne by the former vice president in the case involving the reserve expenditures fund.

The principal of reciprocity was applied some years ago when Juan Manuel Fornell was extradited from Spain even though there was no extradition treaty with that country. However, the diplomat Aleman recognizes that

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in that case, one present element was lacking—the Costa Rican government's classification of Dahik as a "victim of political persecution" when it granted him asylum.

Therefore, he believes it "impossible" that the Costa Rican government would send Dahik back to Ecuador, since he has been classified as a "political refugee, and not a common criminal." Aleman says that aspects of international law, Ecuadoran politics, and Costa Rican domestic policy had some weight in the decision made by that Central American country.

Ecuador: President Blamed for Dahik Asylum

96SM0233D Quito HOY in Spanish 2 Apr 96

[Received via Internet]

[FBIS Translated Text] Guayaquil—Former President Leon Febres Cordero has accused President Sixto Duran Ballen and Minister of Foreign Relations Galo Leoro of being responsible for the political asylum granted to Dahik in Costa Rica. He said that this decision is an attack upon the sovereignty of Ecuador, and is obstructing the work of the country's courts. He charged that it is the president and the foreign minister who are responsible for this development since they have done nothing, allowing an offense to be committed against the country. He said that this will create a very poor image of the country because, on the international level, it will be thought that individuals are politically persecuted in Ecuador, whereas the truth is quite the contrary. The fact is that these individuals are being put on trial in the Ecuadoran courts. The government of Ecuador has secretly done everything possible to enable the government of Costa Rica to grant asylum to Dahik, the former vice president [as received] said.

Duran Ballen Is Very Happy

"Alberto Dahik, the former vice president, was and is my friend," President of the Republic Sixto Duran Ballen said yesterday. He makes no secret of the fact that he agrees with the decision of the government of Costa Rica to grant Dahik political asylum.

At the same time, he raised some doubts about the validity of the case being brought against Dahik in the Supreme Court of Justice on charges of misappropriation from the reserve expenditures fund of the Office of the Vice Presidency. "In time, it will be clear that this case was blown out of proportion, with too much being made of it and with misrepresentation of what really happened," the chief executive said.

A Sovereign Decision

He emphasized that the granting of political asylum to the former vice president of the Republic was a sovereign decision made by the government of Costa Rica, and therefore our national government cannot interfere with a resolution of this nature. "Above all, it must be realized that this is the decision of a friendly government," he added.

He explained that if the government of Ecuador were to grant someone political asylum, "We could not allow the citizens of another country to interfere with our laws."

Duran Ballen made these statements at the inauguration of the Santo Domingo de los Colorados Thermoelectric Power Plant built by the Seacoast firm.

Ecuador: Ehlers' Need for Multistrata Support Noted

96SM0233E Quito HOY in Spanish 2 Apr 96

[Editorial by Roque Espinosa: "Reflections on a Candidacy" — received via Internet]

[FBIS Translated Text] It has become a commonplace that Ehlers' candidacy is being supported by the sectors of civil society (peasants, Indians, NGOs [nongovernmental organizations], student union leaders, etc.) opposed to the policies of the current government and discontent with its economic program — in the area of privatization, in particular. These would be the "vanguard" forces in the country that voted "no" in the most recent referendum and see this candidacy as offering them the possibility to "impose" (this time, yes) their own program of government.

However, to label certain forces as "vanguard" simply because they have certain social characteristics or are aligned with certain positions is frankly suspect. The impression left by this analysis (the residue of old discussions based on the theory of vanguard forces) is that historic lessons have not been learned, since the belief that union leaderships are inherently revolutionary forces seems to persist.

In fact, to understand that this is not accurate, one need only note what has happened in this country in recent decades. It could instead be said that these are forces that have almost always been an obstacle to development, and—if there are those still considering this—to revolution itself. Therefore, one cannot accept that Ehlers' candidacy is a vanguard candidacy without the benefit of an assessment of the forces supporting him.

In addition, there is another consideration that cannot be ignored. The possibility of imposing an alternative program on the rest of society, and in particular on the dominant sectors—the capitalists and the landowners, the "financial and export oligarchy of the coastal region"—seems linked with the concept of revenge. Now then,

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given this government's very bad political management and the fact that certain sectors connected with the ownership classes have presented the modernization, stabilization, and state reform programs as something needed by the country only to the extent that they served their own interests, this position is without a doubt understandable.

But nothing could be more dangerous than to want to govern on the basis of possible revenge by opposing this process, as some of the veteran militants who are behind Ehlers seem inclined to do. A government program must be implemented as a function of the poor majorities of this country, but also as a function of all of the social sectors, including the owners' classes. It is not possible to do without them. In this connection, it is necessary to develop a modernization program that works toward building agreement rather than emphasizing existing disagreements, because any political program of this latter sort is doomed to fail.

This means, among other things, that it is necessary to establish a clear economic program that will enable Ecuador to move forward at a time when market integration is irreversible. It is a question of defining a program that provides guarantees for investors within a context of modernization, but also makes it possible to devote priority concern to the most needy. Only thus can the support of the various sectors be ensured, in the knowledge that this is an indispensable condition for launching any process of dialogue.

Moreover, the requirement that Ehlers, as a candidate, must have an economic program is an essential one, because at the present time, the economy is the context in which politics develops, functions, and, to a certain extent, is established. The economic agents are privileged political agents. Not only the workers, merchants, and consumers — as their advisers are apparently prepared to believe — but the businessmen, both domestic and foreign, in the mountain region and on the coast, as well. It is not going to happen that for lack of such a program, it becomes necessary later to engage in shameful agreements that, in the end, benefit exclusively those who until a short time ago were regarded as their enemies.

Paraguay

Paraguay: Country Risks 'Black List' Inclusion for Piracy

PY1804023196 Asuncion ABC COLOR in Spanish 16 Apr 96 p 14

[FBIS Translated Text] It will be decided at the end of this month whether Paraguay will be included on the "black list" the U.S. Government has established for countries that do not respect industrial and intellectual property rights.

In this regard, Industry and Commerce Minister Ubaldo Scavone pointed out that the United States believes the losses resulting from piracy of audio and video tapes and computer programs and equipment, as well as clothing and shoe trademarks, are becoming voluminous, thus requiring the adoption of serious measures.

"This is why they are about to include us on the Priority Watching List [preceding three words in English] under Special Law 301. This may create problems for Paraguay with all the financial organizations in which the United States participates, such as the Inter-American Development Bank and the World Bank," Minister Scavone said.

The minister added that Paraguay is currently included on the "Watching List" [preceding two words in English]. In other words, it is believed the country deserves being watched, and its inclusion on the other list could have very negative consequences.

"Therefore, with the assistance of the U.S. Department of Commerce and the Trademarks and Patents Office, we in Paraguay are drafting three laws: on patents, on copyrights, and on trademarks. These will probably be sent to Congress in June to be analyzed," Minister Scavone said.

According to the minister, the administration wants to have a new legal framework that establishes more precisely the rights, class of violation committed, and action to be taken against those who commit these crimes.

"All this will be done without harming the actions the Industry and Commerce Ministry [MIC] has been adopting — in a rather isolated manner because we do not have an inter-institutional organization working with us. It is only the MIC that conducts the confiscation and seizure operations. Regrettably, due to our current laws, nothing can be done if the holder of the patent or trademark does not resort to the courts," the minister explained.

Told that the U.S. Government seems to believe that what is being done in Paraguay to end these illegal acts is insufficient, the minister clarified: "This is their criterion. We cannot say that our way of fighting this type of violation is perfect, but we are doing our best, and we have undoubtedly been doing our best for some time now, and not just recently.

Asked whether there is a way to avoid sanctions, the minister said that the administration is preparing its

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defense, because the U.S. decision is not unilateral and is not being adopted without prior consultation.

Paraguay: Agriculture Minister Seeks Dialogue With Peasants

PY1804022996 Asuncion NOTICIAS in Spanish 13 Apr 96 p 9

[FBIS Translated Text] Commenting on problems that the peasants have been facing, Agriculture and Livestock Minister Juan Alfonso Borgognon, who was recently installed in his position, said: "I still believe that we must hold dialogue to find solutions."

Referring specifically to land occupations, Minister Borgognon pointed out that the administration will not permit the use of force or illegal mechanisms. "I believe in dialogue, but one can't hold talks with people who are violating the law," he said. During a visit to Paraguari Deparment, the minister gave as an example the Edelira case of land occupation and said that in order to reach an agreement through calm dialogue, the peasants will have to give up their militant attitude. In Paraguari, the departmental authorities presented to him a project contemplating the establishment of a regional supply market.

The minister repeated the same belief at the end of the ceremony in which Cubas Frau was sworn in as finance minister. Borgognon asserted that he will do his best to approach those who are affected by rural problems. "We will not wait for them to come to us. As I already said the day I was appointed agriculture minister, I will work in the countryside and for the countryside," he said.

Regarding the crisis involving the peasants, Minister Borgognon said it can be solved. He insisted that the problem is not only his ministry's responsibility. In this regard, he said that the National Electric Power Administration, the Water and Sanitation Corporation, and the Public Works and Communications Ministry are also responsible for meeting the necessities of peasant families. He added that these organizations should better coordinate their actions in order to obtain more fruitful results.

Minister Borgognon said that he did not plan to dismiss members of the Agriculture Ministry, but warned that if his subordinates do not meet his work expectations, they will have to leave their positions. He added: "If there are officials who cannot accompany my working rhythm, they will have to leave."

Paraguay: Labor Leaders, Justice Minister Discuss Salaries

PY1704235596 Asuncion ABC COLOR in Spanish 17 Apr 96 p 13

[FBIS Translated Excerpt] A reduced group of labor leaders who currently have internal problems with their workers federations, particularly the CNT [National Workers Federation] and the CPT [Paraguayan Confederation of Workers] last night participated in a meeting with Justice Minister Juan Manuel Morales. The meeting was held in a tense atmosphere. Among the better known worker leaders were Sonia Leguizamon and Maria Ines de Lemos, of the CNT; Gregorio Ojeda, Felix Chamorro, and Alberto Cespedes, of the CPT; and Victor Guerrero of CUT [United Workers Trade Union Federation], among others.

All of them told Morales that they do not agree with the 10 percent salary adjustment and asked the government to take the working class demands seriously. They also asked the Justice and Labor Ministry to see that labor laws are fulfilled. Leguizamon and Ojeda took advantage of the opportunity to point out that they do not recognize the current leaders of the CNT and CPT, respectively.

While the meeting was under way in the ministry, there was a demonstration by some 100 CNT, CUT, and CPT leaders outside the premises. This group and the police were involved in violent incidents.

The group of demonstrators called those who were with Morales "traitors." The protest was peaceful until some firecrackers exploded accidentally near a group of five policemen. The police reaction was quick. Workers defended themselves by throwing stones, while the police used rubber bullets. Five policemen and three workers were slightly injured. [passage omitted]

Peru

Peru: Foreign Minister Discusses Antidrug Effort

PY1704230996 Lima GESTION in Spanish 16 Apr 96 p 4

[FBIS Translated Text] Speaking yesterday in Cochabamba (Bolivia), Peruvian Foreign Minister Francisco Tudela advocated the need for international cooperation to launch an all-out war on "the international blight of drug production and drug trafficking" as well as on the money laundering activities involving the sums derived from drug trafficking that are "recycled" in large international financial centers. He added that the interrelationship between drug trafficking and terrorism should also be combated.

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Francisco Tudela also stressed the need for preventing and combating the propagation of new synthetic drugs and for creating international multilateral mechanisms such as the World Conference Against Drug Trafficking, proposed by Mexico. He remarked that "certification" processes have little effect as political pressure mechanisms.

Tudela addressed the issue of international cooperation on drug enforcement within the framework of the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers held in Cochabamba.

Tudela said that a basic consensus must be achieved with the EU on this issue in order to vanquish drug trafficking.

He also stressed the need for achieving a rational and objective consensus, and for coordinating specific policies of interdiction, eradication, alternative development, and technological and financial cooperation to this effect.

Moreover, he mentioned the need for strengthening judicial systems and national laws not only to combat drug trafficking but to bolster market activities and the creation of legally and formally established jobs.

Tudela also stressed the need for safeguarding the environment to allow a sustained development that will result in healthy economic and social activities in those Latin American regions affected by drug trafficking.

Furthermore, Tudela stated that Latin America is experiencing very serious problems but that these are counterbalanced by a new objective situation in the region, particularly regarding better government, the enforcement of democracy and human rights, and the establishment of free markets based on real economic situations "and no longer on fictitious situations that confuse economic trade transactions and promote corruption and the criminal activities of multinationals."

Tudela said: "Latin America today is creating conditions to reduce the impact of drug trafficking on the GDP's of drug producing countries." He added that this is a factor that should not be underestimated in any serious and coherent strategy against drug trafficking.

After stating that Latin America is experiencing great progress both at the political and economic levels, he said: "Democracy, human rights, the market economy — these are now the norm and not the exception."

Tudela added: "This new reality implies that Latin America is allocating more resources to combat drug trafficking. Nevertheless, these resources need to be urgently bolstered through international cooperation."

He added that to achieve this goal, we need "to make an economic evaluation of the effects of drug enforcement to assess whether or not the antinarcotics policies are successful."

He also stressed the need for implementing analysis mechanisms to evaluate the effectiveness of international antinarcotics cooperation and make it more effective.

Peru: Fujimori's Drop in Popularity, 'Mistakes' Linked

PY1804003996 Lima EXPRESO in Spanish 16 Apr 96 p 2A

[Commentary by Manuel d'Ornellas: "A Matter of Behavior"]

[FBIS Translated Text] From the latest poll conducted by Apoyo, it can be deduced that if Fujimori had not reorganized his cabinet, the drop experienced in his popularity would have been even greater than what it was. In the end it only dropped by two percent from one month to the next, that is, from 64 percent to 62 percent.

Undoubtedly this represents a total drop of 13 percent for this year to date: From 75 percent in January it slid down to 66 percent in February, 64 percent in March, and now to 62 percent. This percentage is still high for a head of state who is about to celebrate six years in government house — a few days ago we noted that President Frei, in Chile, with only two years in power, only enjoys the support of 48 percent of the citizenry. Moreover, Fujimori governs a country experiencing a mini-recession.

But from what one can see, his popularity has not dropped because of the way in which he manages the economy. Had that been the case, Minister Jorge Camet would not enjoy the respectable 47 percent support rate among those polled by Apoyo (although the approval of his performance is much lower: only 38 percent).

Everything shows that this monthly decline of the president's popularity is directly tied to political mistakes, those made by him and his supporters. For example, the indifference — it cannot be called otherwise — shown by the executive branch with regard to the new Lima mayor, Alberto Andrade: There must be some reason why his popularity grows in each poll. This is clearly shown by another poll conducted by Analistas and Consultores, published in today's issue. Moreover, the tactless manner in which the majority impose their criteria or fancy in Congress is annoying.

We have said this before: The bossy manner the people thought necessary in 1992 is no longer popular in 1996.

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The positive changes which have taken place in the country during this phase of Fujimori's administration have also changed the attitude of the people. On 5 April 1992, when Fujimori dismantled Congress, his popularity rose by 20 points; were he to do the same thing today, it would probably drop by the same percentage.

Let us hope the polls carried out these days will help the president realize that he must change his behavior. That is, he must not continue disappointing the 64 percent of the Peruvians who elected him one year ago for a second and different government term.

Peru: Fujimori's Situation in Wake of Reshuffle Viewed

PY1704225896 Lima LA REPUBLICA in Spanish 16 Apr 96 p 4

[Commentary by Mirko Lauer: "They Have Not Fallen, Only Been Put Aside for a While"]

[FBIS Translated Text] The publication of an article by Victor Andres Ponce, a journalist close to Jaime Yoshiyama, in the 14 April issue of EXPRESO, in which he states that Santiago Fujimori and Absalon Vasquez have not fallen in disgrace, deserves close attention.

One of the objectives of the article is to report that the president's brother and President Alberto Fujimori's friend have not fallen in disgrace and that they continue to advise the president from Government House (were their appointments ever published in EL PERUANO?).

Moreover, it points out that Vasquez has not only not fallen in disgrace, but that he is also inculcating protectionist guidelines to the new agriculture minister (a practice that we have already witnessed in the ministries of transportation and energy.) Therefore, Jorge Camet has experienced a false victory.

The article is, therefore, a denouncement: Alberto Fujimori is clutching to those around him who uphold populist ideals. This is perhaps an indication that he does not believe in Camet's definitive victory or in the definitive removal of those upholding populist views.

Moreover, it is difficult not to interpret this article as a resoonse to those who have been asserting that Santiago Fujimori had lost the battle.

Ultimately, the article seems more of an appeal urging Alberto Fujimori to realize that he has suffered an implicit defeat in the cabinet reshuffle and that he needs to get rid of the losers, no matter how near his heart they might be. In other words, to assume that Camet not only experienced an economic but also a political victory.

Moreover, no other official media had openly referred to Santiago Fujimori, and with such political intent. Furthermore, he had never been referred to as a tucuy ricuj [previous words in Quechua — all eyes, all ears], a stool pigeon, more or less.

What is the purpose of the note? Probably the increasing fear on the part of the [Economy Minister Jorge] Camet-[Minister of the Presidency Jaime] Yoshiyama group that [former prime minister] Dante Cordova's fall is only a tactical withdrawal made by Alberto Fujimori. After all, the numbers do not favor Camet.

Suddenly, Santiago Fujimori has passed from complete professional obscurity to being the subject of several issues under discussion. The most important of these issues is Alberto Fujimori's autonomy as opposed to the victory of the Camet-Yoshiyama team and their associates.

Another issue under discussion is the politician's distrust of NM-C90 [New Majority-Change 90] in view of the economic program that has been imposed on them, the latent Fujimorist leftist wing, and also perhaps the need for Alberto Fujimori to handle (as well as support) opposite groups.

Is all this important? Very much so whenever they refer to the kinds of pressure to which Alberto Fujimori may be exposed. In addition, these may entail the pressures that the IMF is also exerting against him and against his political future.

The next test is who will be in charge of announcing the new economic shock entailing a hike in fuel prices. Will it be Camet or Fujimori? This seems to be a trivial issue, but it is politically important because it will be an indication of how much more a politician who is experiencing a drop in the popularity polls is willing to sacrifice before the IMF shrine.

Peru: Commentary Views Reasons for Cabinet Reshuffle

PY1204213096 Lima LA REPUBLICA in Spanish 11 Apr 96 p 18

[Commentary by Ismael Frias]

[FBIS Translated Excerpt] The sign, the peculiarity, the figure that defines the [Alberto] Pandolfi cabinet is continuismo. This is not just because of the expected confirmation of [Economy and Finance Minister Jorge] Camet, or the presence at the Labor Ministry of Jorge Gonzalez Izquierdo, the coadjutor, partner, and certain successor to the economy minister, but because the political decision process continues to be concentrated — does anyone doubt it? — in the hands of the emperor.

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[President Alberto] Fujimori does not represent the continuation of a policy — which would be positive — but of continuismo, which is something entirely different.

The president is no neoliberal, no supporter of IMF policies, or a populist. He acts as he sees fit. Fujimori is exclusively and only Fujimorist. He is a life autocrat by virtue of the principle all means are good. Self-perpetuating vocation, with absolute power, "without scruples," is what makes up continuismo. Thus, his ministers must have a lower profile or they are sent packing. Good intentions and ability do not count. Witnesses to this are Dante Cordova and Sandro Fuentes. Write this down.

Fujimori's clique does not have a national economic policy but it knows quite well what it wants, where the shoe pinches, who to serve, and who to take advantage of. Its chief is no "fool." The six years of his administration proves that. On one side are the "establishment," transnationals, bankers, businessmen, the factious military group, and the television oligarchy. On the other side are the common Peruvian people, the unemployed and underemployed, the retired, the very poor middle class, street vendors, and the small and medium scale businessmen. In this regard, Fujimori is the most conservative and traditional of our presidents: he made the rich richer and the poor poorer. He is weak with the strong and strong with the weak. He is the protector of foreigners and the cruel parent of all Peruvians.

Dante Cordova fell precisely because he confronted the clique. He insisted too much, even with rhetoric, on issues that were taboo: like appropriating 40 percent of the budget for social projects; increasing teachers salaries; talking about a referendum that may delay the sale of Petro-Peru. Pandolfi became prime minister because he is against all that, because he will cut 1 billion soles from social spending, and grant no salary increase to teachers. On top of all that, he will carve up and auction the state oil company to the "seven sisters" [the seven big U.S. oil companies] as soon as possible. [passage omitted]

Peru: Possible Division of Ruling Party Viewed

PY1804031996 Lima LA REPUBLICA in Spanish 13 Apr 96 p 6

[Commentary by Mirko Lauer: "Santiago's Private Initiative"]

[FBIS Translated Text] According to unconfirmed reports, one of the decisive factors in the replacement of Prime Minister Dante Cordoba was certain information supplied to Alberto Fujimori by Vladimiro Montesinos about a plan Santiago Fujimori (Cordova's protector) had for a congressional alliance with opposition sectors.

The idea, allegedly, was to establish a clout within Congress that would beset Jorge Camet and his apparatchiks of the MEF [Economy and Finance Ministry]. In other words, something similar to the ability Javier Alva Orlandini of the Popular Action and Luis Alva Castro of the APRA [American Popular Revolutionary Alliance] had in their time to neutralize government representatives in Congress.

It is quite unlikely that Santiago Fujimori will enjoy the sort of majority within the majority that the two Alvas enjoyed. But it is obvious that the disagreement between him and Jaime Yoshiyama, which affects the public administration, also has reverberations in Congress. It might have contributed to the fact that Augusto Antonioli was not elected a member of the Constitutional Court.

At first sight, it seems that the four blank votes that Antonioli needed to obtain the 80 he required to be elected were cast by a quartet of disaffected Fujimorists. But taking into account the existence of UPP [Union for Peru] legislators who, for some reason or another, voted for Antonioli, it is quite likely that the number of dissident government representatives who did not back him was relatively high.

To take speculations such as the aforementioned seriously, one would need to know more about what Cordova's exit from the cabinet will represent for this Fujimori who is behind the scenes. In other words, does Alberto Fujimori consider his younger brother's mistake as his own? Or is he going to throw him into the lion's den, as he does with everybody? Does he have any other alternative?

Seemingly, Santiago Fujimori had begun to lose the discretion he was known for. Cases such as his direct intervention to stop the publishing of a second press report against the Aerocontinente airline, headed by Fernando Zevallos, have started to multiply. Montesinos seems to have taken advantage of this fact in the cabinet crisis.

But it might be that Alberto rather then Santiago is behind those dissidents who did not vote for Antonioli. Perhaps Congress is the only place where Fujimori can exercise his power in daily politics in view of the strengthening of the sector that upholds the IMF within the cabinet and of the SIN [National Intelligence Service] in the central government structure. Maybe the blank votes cast during the voting for Antonioli was a warning to the SIN.

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Is an alliance of a sector of the NM-C90 [New Majority-Change 90] with part of the opposition to confirm a neo-Fujimorist bloc possible? Many wonder why it has not materialized yet. Probably Camet's victory within the cabinet has postponed the beginning of this process (a process that even Alberto Fujimori could head discreetly some day.)

The fact that Santiago's sand castle has been washed away by the neoliberal wave should not distract us from the fact that, as a result of the increasing economic and social problems, Fujimorism may end up loosing one of its most precious assets: its solid unity.

Peru: Duties of Fujimori's Brother 'Redefined'

PY1704191496 Lima EXPRESO in Spanish 14 Apr 96 p 2A

[Article by Victor Andres Ponce]

[FBIS Translated Text] EXPRESO has learned from reliable sources that, like ousted former agriculture minister Absalon Vasquez, Santiago Fujimori, the president's brother, will continue to be the presidential adviser.

Despite a strong altercation between President Alberto Fujimori and his brother Santiago one day before the unexpected cabinet reshuffle, and his alleged resignation, it has been learned that Santiago Fujimori will continue to act as top presidential adviser but that his duties have been clearly redefined.

His followers have said that, even though he is the president's brother, this did not play a major role in the appointment of [Prime Minister Alberto] Pandolfi's cabinet. Thus, reports that current Agriculture Minister Rodolfo Munante is an alleged supporter of Santiago Fujimori are not true.

President Fujimori this week confirmed the continuation of his brother as presidential adviser.

Several reports state that Santiago Fujimori has always been President Fujimori's Tucuy Ricuj [given in Quechua] (eyes and ears). He has exercised this duty since the start of the first Fujimori administration: a sort of filter for all presidential decisions.

Another of Santiago Fujimori's duties was that of legal adviser to the Fujimori regime: He approved all bills to be passed by the majority in Congress, and also all decrees issued by the executive branch.

Nevertheless, following the 5 April palace coup, the president's brother also had a say in the appointment of the majority of public institutions authorities.

Circles close to Santiago Fujimori allege that it would be impossible for the president to govern without his cooperation. These sources acknowledge, however, that Santiago Fujimori duties will now be restricted to being Tucuy Ricuj and legal adviser, but that he will not control public institutions.

Absalon Vasquez, Agriculture Adviser

Absalon Vasquez's ousting from the Agriculture Ministry does not reportedly signify his removal from the government. One source reported that last week Fernando Garcia Barreda, the Agriculture Ministry prosecutor, went to the Lima Agrarian Affairs Court and requested an inventory on the number of pending government trials against large-property owners affected by the agrarian reform. Garcia Barreda said: "The presidential adviser on agricultural affairs, Absalon Vasquez, wants to know how much the government will have to disburse if the trials are lost."

One source reported that the former agriculture minister is exercising the duties of presidential adviser and that he has an office in Government House.

Perhaps this explains why recent statements by current Agriculture Minister Rodolfo Munante endorse the protectionist policy enforced by Absalon Vasquez in agriculture.

Montesinos and Hermoza

Finally, the role of Vladimiro Montesinos, the presidential adviser on military affairs, has reportedly been restricted to strictly military matters. Moreover, General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command, will continue to head the military. Yet over the past few months he has reportedly been pressuring the administration to increase officers' salaries, and to replace obsolete Armed Forces materiel.

Peru: Negotiations of Fund Facility With IMF Assessed

PY1204215196 Lima EXPRESO in Spanish 11 Apr 96 p A22

[FBIS Translated Text] The Ministry of Economy and Finance (MEF) has been very active since the start of a new round of talks with IMF experts who arrived in Peru on 9 April to negotiate an extended Fund facility with the Peruvian Government for the next three years.

The good news is that the IMF disagrees with the MEF on balancing fiscal accounts to provide a primary surplus. The IMF believes it should represent 2.5 percent of the Peruvian GDP whereas the MEF only wants a surplus equivalent to 1 percent of GDP.

The IMF mission — comprising Luis Durand, Luisa Zanfoquin, Gilbert Terier, and Julio Escolano — quickly

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suggested the easiest way to achieve this surplus; by increasing taxes. It is no surprise that the IMF should pressure Peru to raise the General Sales Tax (IGV) from its current level of 18 percent to 20 percent. EXPRESO newspaper already alerted Peruvians to this back in January.

Still, it is one thing for the IMF to make a proposal, and quite another to demand it. In Argentina, instead of throttling the economy with the burden of heavier taxation, the administration opted for pump-priming the economy by lowering the Value Added Tax — which is the equivalent of the IGV — on certain products.

One member of the Peruvian negotiating team told EXPRESO: "Wherever they go, IMF experts peddle the same nostrum."

EXPRESO learnt yesterday that the MEF will counter the IMF idea of increasing the IGV with a proposal to cut government spending.

How? Sources close to the Fujimori administration said government spending will be reduced by effecting a state reform, which will hinge on two key ideas, namely, the social security reform and the incorporation of all public servants into the private labor system.

These two measures are geared to reducing current expenditures rather than capital outlays (investments), which are the ones that have so far been trimmed.

The state reform will, therefore, begin with the elimination by 24 April of the privileges enjoyed by many pensioners under Law No. 20530, called "life pension," and by making the civil servants' labor system more flexible. Unlike workers and employees in the private sector, who compete with each other to keep their jobs, civil servants are the virtual owners of their positions under the protection of the Civil Servants Act (Decree-law No. 276)

Immediately after effecting the proposed reforms, unproductive employees will be made redundant. With this goal in mind, the IDB [Inter-American Development Bank] Loan will possibly grant Peru a $50-million loan.

In view of what has been stated above, the next two weeks while the IMF mission are in Lima will be crucial for the negotiations and the future of the state reform in Peru.

Economist Jose Valderrama, aide to the economy and finance minister, is meeting with the members of the IMF mission to define macroeconomic stipulations.

The IMF mission headed by Durand will meet with other aides to the economy and finance minister today or tomorrow, who may set these reforms into motion.

Both parties have already thrown the dice. The MEF has little time to finish drafting the letter of intent that it must sign with the IMF, which is the entrance ticket [preceding word in English] for the rescheduling of the Peruvian debt with the Paris Club, which is slated for 20 June.

Peru: Settling of Indians in Demilitarized Zone Denied

PY1104191396 Lima GESTION in Spanish 9 Apr 96 p 2

[FBIS Translated Excerpt] A Peruvian Foreign Ministry source has denied Ecuadoran press reports that the Peruvian Armed Forces have settled 150 Indians in the demilitarized zone to create living forces and thus seize the demilitarized territory. He said: "I find this report very unpleasant; an item of such nature is hard to believe."

In remarks to GESTION, the diplomatic source said that supporting the settlement of that type of population in such a place has no purpose whatsoever.

He added that in the demilitarized zone there are — as everyone knows — very desolate areas, extremely dangerous to the extent that in that place there are still a good number of mines (planted by Ecuadoran troops during the Cenepa conflict in 1995).

The diplomatic source from the Torre Tagle Palace added: Living conditions require an external supply. This zone does not have good conditions to be self-sufficient, and thus there is no element to give some sign of credibility to that report.

It is true that there are Indian populations in the region between the two countries (Peru and Ecuador), but not within the demilitarized zone, he explained.

Upon indicating that he did not find very serious the publication of such reports, the Peruvian diplomatic source said that it is a journalistic machination that has no basis whatsoever. [passage omitted]

The government source also expressed his concern over the performance of the Ecuador-Peru Military Observers' Mission [MOMEP 3] due to the recent meeting held on 1 and 2 April in Lima, at the Brazilian Embassy.

After expressing his disagreement with the latest communiques released by the military observers, he said that "what causes worries at this moment is how the MOMEP is acting, trying not to indispose either of the two parties, but to the detriment of Peru, because obviously

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there was an Ecuadoran presence following the establishment of the demilitarized zone, and that should have been clearly noted."

There has been ambiguity within MOMEP and that is a matter of concern for us, because its role is to provide guarantees, which includes fulfilling the role of overseeing and verifying the zone. It is not its role to avoid any indisposition of either of the two countries. Its role is to point out any violation of the agreements with regard to the demilitarized zone," he said.

In any case, some indication of responsibility should have been made, although later they could have reported that they (the Ecuadoreans) had abandoned the zone. However, the fact that a violation took place cannot be ignored. The communiques are too ambiguous, and we are pointing that out, he said.

Peru: Expert Claims SL 1992 Threat Hyped by Officials

96SM0234A Lima CARETAS in Spanish 3 Apr 96

[Article by Fernando Rospigliosi: "The Tale of the Coup" — received via Internet]

[FBIS Translated Text] Four days ago, during a meeting held on the fifth floor of the Pentagonito at 0900 on 5 April 1992, Vladimiro Montesinos and Nicolas Hermoza analyzed the situation in the country for the commanders of the five military regions. The Sendero Luminoso [Shining Path] was about to seize power unless extraordinary measures were taken, they told their listeners. In this issue of CARETAS, General Rodolfo Robles, who was then commander of the Third Military Region (Arequipa), provides details about this meeting.

Montesinos, the strong man of the Intelligence Service and "an expert" on antisubversive warfare, had the task of painting the black picture with the aid of videos, photographs, diagrams, and illustrative charts. The conclusion derived was that it was necessary to shut down the parliament, to intervene in the court system, and to clear away all of the obstacles that were allegedly preventing the FFAA [Armed Forces] from putting an end to the subversive activity.

The participants in the coup knew that they were striking a very sensitive chord with the military establishments. For many years now, there has been widespread feeling in the FFAA that the civil institutions were hindering the war against subversion. The uniformed branches had trained their sights on the parliament, with its investigative commissions and bland laws; the court system, which continued to release terrorists; and the press, which welcomed charges of violations of human rights.

However, Montesinos was not being truthful when he told the military commanders on the morning of 5 April that the Shining Path was on the verge of seizing power. At that time, the intelligence services were aware of the weakness of the subversive organization.

The expert Carlos Tapia has written a book, soon to be published by the IEP [Institute for Peruvian Studies], in which he reveals the true strength of the Shining Path as of that date. (See excerpts, also in this issue. [not reproduced]) While the Shining Path was indeed an organization capable of causing serious damage with its attacks and of provoking panic among the people, it did not have the capacity to seize power. The manuscripts of Abimael Guzman that the police confiscated from the Chacarilla house in January of 1991 described the size of the Senderist forces in the country and the volume of weaponry they had. The SIN [National Intelligence Service] had that information, and more, in hand at the time Montesinos made his presentation to the military commanders on 5 April 1992.

During those months, which were the worst in terms of the Senderist offensive against Lima, the subversives had 300 organized members in their "principal" and "local" forces in a city with more than six million inhabitants, where at least 100,000 members of the forces of law and order were concentrated. Including the members of the "militias" — that is to say, the support forces — there were not even 2,000 Senderists in Lima. This information, contained in Tapia's book, was taken from Guzman's computer.

The entire "Popular Army" in the country—excluding Huallaga, about which Guzman had no information—possessed some 150 rifles, 100 machine guns, and 235 revolvers and pistols.

In reality, even without access to the details of the data, one could conclude that the Shining Path would be unable to win the war. As we wrote in this column a couple of weeks before the coup, "The Shining Path has no possibility of seizing power in the country. Abimael Guzman is never going to govern Peru." ("Can the Shining Path Win?", 2/23/92)

The Shining Path was used as a skillfully manipulated pretext in order to justify the coup — the real purpose of which was to exercise absolute power and to continue to govern indefinitely.

Montesinos had been working actively toward this end from the outset. As early as November 1990, he contrived an accusation, which he leaked to the press, against General Juan Fernandez Davila, an officer

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loyal to the military institution who was scheduled to take command of the Army the following year. Fernandez Davila was then retired. A weak general, Pedro "Pechito" Villanueva, became commander in chief, but was removed in the middle of December 1991 before his term of command had expired. He was replaced by Nicolas Hermoza, who was already a member of the coup conspiracy.

The first thing Hermoza did, under the guidance of Montesinos, was to see to the retirement of Generals Jaime Salinas Sedo, Luis Palomino, and Jose Pastor Vives, all loyal institutionalists who would have risen to high Army command posts had promotion through the normal channels been respected. Thus the ground had been prepared.

The coup was to have occurred in June of 1992, but it was postponed because of the accusations made by Susana Higuchi and the possibility that the parliament would appoint an investigative commission.

In order to ensure the success of their plan, Montesinos and Hermoza told the military commanders—who were ready to hear it—the tale about how the Shining Path was on the verge of winning the war. They achieved their aim and managed to remain in power, which they will not abandon until someone forces them out.

Uruguay

Uruguay: Tighter Security Implemented at Jewish Centers

PY1704032496 Buenos Aires TELAM in Spanish 2202 GMT 16 Apr 96

[FBIS Translated Text] Montevideo, 16 Apr (TELAM-SNI) — Interior Ministry sources have confirmed to TELAM-SNI that the Uruguayan Government has tightened the surveillance of Jewish centers and institutions operating in Uruguay and has reinforced border controls.

The sources indicated that the government of President Julio Maria Sanguinetti does not rule out the possibility of reinstating a special surveillance commando, made up of the Army, the Navy, and the Air Force. This commando would complement the Interior Ministry's duties.

This special commando already operated in Uruguayan territory, after the attack perpetrated against the AMIA [Argentine-Israeli Mutual Association] in the city of Buenos Aires in July 1994.

The preventive measures are being supervised by the National Directorate of Intelligence and Information. These measures include the tightening of surveillance at Jewish institutions and Brazilian and Argentine border crossings and the reinforcement of controls at Montevideo's Carrasco Airport.

Police surveillance of about 52 Jewish centers throughout Uruguay has been tightened since 15 April. Police surveillance of the Jewish cemetery in the city of La Paz (about 20 km north of Montevideo) has also been implemented.

The security operation was implemented by the Uruguayan authorities vis-a-vis a petition filed by the Israeli Embassy, after the government of Shim'on Peres sent communiques to all Israeli diplomatic missions, warning about the possibility of extremist attacks.

Uruguay: Army Medical 'Error' on 'State Secrets' List

PY1704034496 Montevideo BRECHA in Spanish 4 Apr 96 pp 3, 4

[Article by Maria Urruzola]

[FBIS Translated Excerpt] Lieutenant General Raul Mermot, Army commander in chief, has been confined to the Military Hospital for eight days now. In light of how this subject has been officially handled, the reason for his confinement seems to be included on the list of "state secrets."

Initially, the piece of news was almost trivial: The commander in chief was hospitalized on the morning of 27 March to undergo *"a series of tests due to a dysphonia,"* and his condition was so normal that — according to what EL OBSERVADOR reported in its 28 March edition — *"Mermot continues working in a special room of the hospital."* The paper added: *"The Army commander in chief told his aides that if he were to be discharged from hospital at noon on that day — as was foreseen — he would attend a dinner party for the generals."* The dinner party for generals and lieutenant generals, both on active service and retired, who are members of the Military Center and the Military Circle, was held on the evening of 28 March and was publicly presented as a *"toast for our homeland and the Army."* Lt. Gen. Mermot then intended to be present at this toast. This was at least his intention before he underwent a "series of tests."

Given the interest provoked by the military "toast," the newscast program "Underlined" broadcast by Channel 10 said on 28 March that the commander in chief would not attend the meeting because *"the medicines he took for the tests triggered an inflammatory reaction, which made it necessary to place him in an ICU [intensive care unit]"* adding that *"he is recovering satisfactorily."* This was the only public reference made to the fact that Lt.

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Gen. Mermot had been placed in intensive care at the Military Hospital.

The communique issued by the Defense Ministry on the afternoon of 27 March could not fully silence the "complication" suffered by Lt. Gen. Mermot, but the periphrasis used was so vague that the communique could very well be labeled a concealment: "During the procedure, inflammatory trouble caused by a bad reaction to the medicines used occurred. Lt. Gen. Mermot is still confined to the hospital, and is under observation. [passage omitted]"

What happened in fact was that the Army commander in chief was hospitalized to undergo preventive tests on the dysphony he had been suffering for more than two weeks, but an error — medical or of other origin — brought him to the brink of asphyxia, and as a side-effect, he still has *"strong expectorations"* and a *"generalized irritation of the respiratory tract,"* according to what military sources told BRECHA. What the Defense Ministry labeled "inflammatory trouble caused by a bad reaction to the medicines used" was in fact a terrible allergic reaction caused by an "error": Instead of using local anesthetic with Xylocaine — to facilitate the carrying out of an endoscopy — the commander in chief received an application of trichloroacetic acid, a highly caustic product having necrotizing effects, viz, causing the death of living tissue. [passage omitted]. The extreme gravity of the allergic reaction — the commander in chief is allergic and the dose of this acid could have killed him — made it necessary for him to be placed in intensive care, since the inflammation of his glottis caused symptoms of asphyxia. Moreover, they had to remove the acid with a pump to neutralize its action.

According to the same sources, although the Military Hospital has conducted an internal investigation to determine how the error was made, Mermot himself requested that nobody be sanctioned — i.e. the Defense Ministry — because of the "bad reaction to the medicines used," and that the accident be played down. [passage omitted]

Given the fact that the official information only made an already dubious situation still more confusing, it is a moot question whether Mermot was merely a victim of an "error" due to medical malpractice.

It is an open secret in political and diplomatic circles that the Artigas Lieutenants' Lodge has turned the Military Hospital into its stronghold, among other things because former Military Health Director General Manuel Fernandez is considered one of the leaders of that lodge. Some military sources go as far as claiming that "the [Command 2 of] the Guard of Artigas received their funds to arm themselves themselves and act" from there.

The fact of the matter is that when the Sanguinetti administration decided to remove Gen. Fernandez from office on 28 February 1996 and replace him with then Colonel Juan Geymonat, certain political and military circles interpreted this governmental measure as a response to punish the Artigas Lieutenants in light of the proliferation of public and anonymous communiques at the beginning of this year, in which the lodge was implicated. [passage omitted]

Against the backdrop of the power struggle within the Armed Forces, their lodges, and the Military Hospital, one has to add the message that the Artigas Lieutenants publicly sent to the Army commander in chief shortly before he assumed office. In a communique handed over to the daily ULTIMAS NOTICIAS on 5 January by "two officers in active duty," according to this newspaper, the lodge asserted that it was willing to give its full support to the next Army commander in chief, but warned that *"if, on the contrary, he decides to continue listening to the same old conservatives and ultraconservatives — Hugo Medina, Leon Tabare Perez, etc. — if he continues to be surrounded by those who only seek sectorial objectives, he will face our vigorous opposition."* [passage omitted]

It is then possible to surmise that the current Army commander in chief encounters the *"vigorous opposition"* of the Artigas Lieutenants' Lodge. Does this mean that the aforementioned lodge would go as far as making an attempt on the commander in chief's life? [passage omitted]

The dull official handling, to say the least, of the "accident" Mermot suffered and his current condition can only contribute to fanning the flames of rumors and mistrust about the power struggle within the Armed Forces. The suspicion that Mermot may have been the victim of a premeditated "error" — an error made by a link of the chain connecting the pharmaceutical company to the physician's tray rather than that of the physician — will not be dispelled even if the commander in chief fully recovers and resumes his activities. [passage omitted]

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